

0001213900-25-0091266-K China Jo-Jo Drugstores, Inc. 2025020320250203083006083008083008 0 0001213900-25-009126 6-K 4 20250203 20250203 20250203 China Jo-Jo Drugstores, Inc. 0001856084 5912 000000000 E9 0331 6-K 34 001-40724 25580722 4TH FLOOR, BUILDING 5, RENXIN YAJU GONG SHU DISTRICT HANGZHOU CITY F4 310014 8657188219579 4TH FLOOR, BUILDING 5, RENXIN YAJU GONG SHU DISTRICT HANGZHOU CITY F4 310014 China Jo-Jo Drugstores Holdings, Inc. 20210408 6-K 1 ea0229549-6k chinajojo.htm REPORT OF FOREIGN PRIVATE ISSUER Â Â UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, DC 20549 Â FORM 6-K Â REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 OF THE SECURITIES EXCHANGE ACT OF 1934 Â For the month of February 2025 Â Commission File Number: 001-40724 Â CHINA JO-JO DRUGSTORES, INC. (Translation of registrant's name into English) Â 4th Floor, Building 5, Renxin Yaju, Gong Shu District, Hangzhou City, Zhejiang Province, People's Republic of China, 310014 (Address of principal executive offices) Â Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F: Â Form 20-F ~ Form 40-F ~ Â Â Â Â Â China Jo-Jo Drugstores, Inc., a Cayman Islands exempted company (the "Company") furnishes under the cover of Form 6-K the following: Â Acquisition of Ridgeline International Limited Â On January 31, 2025, the Company entered into an equity exchange agreement (the "Acquisition Agreement") with Ridgeline International Limited, a Hong Kong private company ("Target"), and Lingtao Kong (the "Seller"), the sole shareholder of Target, pursuant to which, among other things and subject to the terms and conditions contained therein, the Company will effect an acquisition of Target by acquiring from the Seller all of the issued and outstanding ordinary shares of Target (the "Acquisition Transaction," collectively with the Divestiture Transaction described below, the "Transactions"). Target owns all the issued and outstanding equity interests of Allright (Hangzhou) Internet Technology Co. Ltd., which operates in the B2B sector, providing wholesale distribution through self-operated and third-party platforms, with a focus on pharmaceuticals, medical devices, health foods, cosmetics, and daily necessities. Pursuant to the Acquisition Agreement, in exchange for the acquisition of all of the issued and outstanding ordinary shares of Target by the Company, the Company will issue 2,225,000 ordinary shares of the Company to the Seller. Â The Acquisition Agreement contains customary representations and warranties regarding Target and the Seller, on the one hand, and the Company, on the other hand, made solely for the benefit of the other, which in certain cases are subject to specified exceptions and qualifications contained in the Acquisition Agreement. The Acquisition Agreement also contains certain customary covenants by each of the parties during the period between the signing of the Acquisition Agreement and the earlier of the closing of the Acquisition Transaction or the termination of the Acquisition Agreement in accordance with its terms. Â The obligation of the parties to complete the Acquisition Transaction is subject to the satisfaction of certain closing conditions, including but not limited to: Â —receipt of approval by at least a simple majority of the votes cast by all shareholders of the Company present in person or by proxy at the Company's shareholder meeting and other required shareholder approval under the Companies Act (As Revised) of the Cayman Islands (the "Company Act") and the Company's organizational documents; Â —the Company maintaining its Nasdaq listing with all new shares issued in the Transactions approved for listing; Â —receipt of all necessary regulatory approvals and absence of law or order preventing the Acquisition Transaction; and Â —concurrent closing of the Divestiture Transaction (as defined below) with all conditions met or waived. Â Additionally, the obligation of the Company, on the one hand, and Target and the Seller, on the other hand, to consummate the Acquisition Transaction is subject to the other side's compliance with their representations, warranties, and covenants, the absence of material adverse effect on them, and delivery of certain deliverables at closing of the Acquisition Transaction. Â Subject to the shareholders' approval and consummation of the Acquisition Transaction, the Seller shall be nominated to be elected as a director of the Company, and the Company will change its name to "Ridgetech, Inc.," each effective as of the closing of the Transactions. Â 1 Â Divestiture of Zhejiang Jiu Xin Investment Management Co. Ltd. Â Concurrently with entering into the Acquisition Agreement, the Company, Renovation Investment (Hong Kong) Co., Ltd., a Hong Kong private limited company and a wholly-owned subsidiary of the Company ("Renovation"), Lei Liu, our current chief executive officer and director ("Liu"), Li Qi, our director ("Qi"), and Oakview International Limited, a Hong Kong private limited company co-owned by Liu and Qi ("Oakview"), entered into an equity exchange agreement (the "Divestiture Agreement"). Pursuant to the Divestiture Agreement, at closing, Renovation shall, and the Company shall cause Renovation to, transfer all equity in Zhejiang Jiu Xin Investment Management Co. Ltd., a limited liability company incorporated in the People's Republic of China and a direct subsidiary of Renovation ("Jiuxin Investment"), to Oakview, free of any liens (the "Divestiture Transaction"). In exchange, Liu, Qi, Oakview and their affiliates will irrevocably surrender for no consideration in total 2,548,353 ordinary shares of the Company back to the Company. Following the consummation of the Divestiture Transaction, Jiuxin Investment and all entities owned or controlled by Jiuxin Investment will be owned or controlled indirectly by Liu and Qi. The Divestiture Agreement contains customary representations and warranties and certain customary covenants by each of the parties. Â The obligation of the parties to complete the Divestiture Transaction is subject to the satisfaction of certain closing conditions, including but not limited to: Â —receipt of approval by at least a simple majority of the votes cast by all shareholders of the Company present in person or by proxy at the Company's shareholder meeting, other than those ordinary shares held, directly or indirectly, by or on behalf of Liu, Qi, Oakview or their affiliates; Â —the Company maintaining its Nasdaq listing with all new shares issued in the Transactions approved for listing; Â —receipt of all necessary regulatory approvals and absence of law or order preventing the Divestiture Transaction; and Â —concurrent closing of the Acquisition Transaction with all conditions met or waived. Â Additionally, the obligation of the Company and Renovation, on the one hand, and Liu, Qi and Oakview, on the other hand, to consummate the Divestiture Transaction is subject to the other side's compliance with their representations, warranties, and covenants. The obligation of Liu, Qi and Oakview to consummate the Divestiture Transaction is further conditioned upon the absence of material adverse effect on the assets, properties, liabilities, condition, business or results of operations of the divested entities, taken as a whole, or the ability of the Company and Renovation to consummate the Divestiture Transaction. Â Effective as of the closing of the Transactions, Liu and Qi shall resign from the Company's board of directors and any officer position they held with the Company (including Liu as Chief Executive Officer). Subject to the consummation of the Transactions, and effective as of the closing of the Transactions, Ming Zhao, the Company's current Chief Financial Officer, shall be appointed as the Company's interim Chief Executive Officer to hold such office until a permanent Chief Executive Officer is duly appointed. Â On the closing date or within 15 business days thereafter, a long-term supply agreement shall be entered into between or among the Company and the applicable divested entities, in form and substance reasonably satisfactory to the parties, relating to the supply by the Company (or its subsidiaries) of the

pharmaceutical and other healthcare products to such divested entities. 2 The foregoing descriptions of the Acquisition Agreement and the Divestiture Agreement do not purport to be complete and are subject to, and are qualified in their entirety by, the full text of those agreements, copies of which are filed herewith as Exhibits 10.1 and 10.2 and incorporated herein by reference. Cautionary Note Regarding Forward-Looking Statements This report contains information about the Company's view of its future expectations, plans and prospects that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact contained in this report, including statements regarding the benefits of the proposed Transactions and the anticipated timing of the completion of the proposed Transactions, are forward-looking statements. Some of these forward-looking statements can be identified by the use of forward-looking words, including "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "plan," "targets," "projects," "could," "would," "will," "continue," "forecast" or the negatives of these terms or variations of them or similar expressions. All forward-looking statements are based upon estimates, forecasts and assumptions that, while considered reasonable by the Company and its management, are inherently uncertain. Actual results may differ materially from historical results or those indicated by these forward-looking statements as a result of a variety of factors including, but not limited to, risks and uncertainties associated with the Company's ability to complete the Transactions in a timely manner or at all, its ability to implement its business plans and strategies, its ability to raise additional funding, its ability to maintain and grow its business, fluctuations in wholesale pricing and demand for pharmaceutical products, variability of operating results, its ability to maintain and enhance its brand, its development and introduction of new products and services, the successful integration of acquired companies, technologies and assets into its portfolio of products and services, marketing and other business development initiatives, its relationships with suppliers and healthcare providers, competition in the industry, general government regulation, economic conditions, dependence on key personnel, the ability to attract, hire and retain personnel who possess the technical skills and experience necessary to meet the requirements of its clients, and its ability to protect its intellectual property. The Company encourages you to review other risk factors that may affect its future results in the Company's annual reports and in its other filings with the Securities and Exchange Commission (the "SEC"). You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Company does not give any assurance that the post-combination company will achieve its expected results. The Company does not undertake any duty to update these forward-looking statements, except as otherwise required by law. Important Information About the Proposed Transactions and Where to Find It This report relates to certain proposed Transactions involving China Jo-Jo Drugstores, Inc. The Company will file a proxy statement with the SEC in connection with the Transactions. A proxy statement will be sent to all Company shareholders as of the applicable record date established for voting on the Transactions. The Company will also file other documents regarding the Transactions with the SEC. Before making any voting decision, shareholders are urged to read the proxy statement, any amendments thereto, and all other relevant documents filed or that will be filed with the SEC in connection with the Transactions as they become available because they will contain important information about the Company and the Transactions. Investors and shareholders will be able to obtain free copies of the proxy statement and all other relevant documents filed or that will be filed with the SEC by the Company through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). The documents filed by the Company with the SEC also may be obtained free of charge at the Company's website at [http://jiuzhou360.com/investors/sec\\_filings](http://jiuzhou360.com/investors/sec_filings). 3 NEITHER THE SEC NOR ANY STATE SECURITIES REGULATORY AGENCY HAS APPROVED OR DISAPPROVED THE TRANSACTIONS DESCRIBED IN THIS COMMUNICATION, PASSED UPON THE MERITS OR FAIRNESS OF THE TRANSACTION OR RELATED TRANSACTIONS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS COMMUNICATION. ANY REPRESENTATION TO THE CONTRARY CONSTITUTES A CRIMINAL OFFENSE. No Offer or Solicitation This report is neither a solicitation of a proxy, an offer to purchase nor a solicitation of an offer to sell any securities and it is not a substitute for any proxy statement or other filings that may be made with the SEC should the proposed Transactions proceed. Exhibit No. Description of Exhibit 10.1 Equity Exchange Agreement, dated as of January 31, 2025, by and among China Jo-Jo Drugstores, Inc., Ridgeline International Limited and Lingtao Kong. 10.2 Equity Exchange Agreement, dated as of January 31, 2025, by and among China Jo-Jo Drugstores, Inc., Renovation Investment (Hong Kong) Co., Ltd., Lei Liu, Li Qi, and Oakview International Limited. 99.1 Press Release, dated February 3, 2025. 4 SIGNATURES Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized. Date: February 3, 2025 CHINA JO-JO DRUGSTORES, INC. By: /s/ Lei Liu Name: Lei Liu Title: Chief Executive Officer 5 EX-10.1 2 ea022954901ex10-1\_china.htm EQUITY EXCHANGE AGREEMENT, DATED AS OF JANUARY 31, 2025, BY AND AMONG CHINA JO-JO DRUGSTORES, INC., RIDGELINE INTERNATIONAL LIMITED AND LINGTAO KONG Exhibit 10.1 EQUITY EXCHANGE AGREEMENT by and among CHINA JO-JO DRUGSTORES, INC., as the Purchaser, RIDGELINE INTERNATIONAL LIMITED, as the Company and LINGTAO KONG, as the Seller Dated as of January 31, 2025 Table of Contents Page ARTICLE I THE SHARE EXCHANGE 2 1.1 Purchase and Sale of Shares 2 1.2 Consideration 2 1.3 Company Shareholder Consent 2 ARTICLE II CLOSING 2 2.1 Closing 2 ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE PURCHASER 3 3.1 Due Incorporation and Good Standing 3 3.2 Authorization; Binding Agreement 3 3.3 Governmental Approvals 4 3.4 Non-Contravention 4 3.5 Capitalization 4 3.6 SEC Filings and Purchaser Financials 5 3.7 Absence of Certain Changes 6 3.8 Actions; Orders; Permits 6 3.9 Investment Company Act 6 3.10 Finders and Brokers 6 3.11 Ownership of Exchange Shares 6 3.12 Independent Investigation 6 ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE SELLER IN RELATION TO THE COMPANY 7 4.1 Due Organization and Good Standing 7 4.2 Authorization; Binding Agreement 7 4.3 Capitalization 8 4.4 Subsidiaries 9 4.5 Governmental Approvals 9 4.6 Non-Contravention 9 4.7 Financial Statements 10 4.8 Absence of Certain Changes 11 4.9 Compliance with Laws 11 4.10 Company Permits 11 4.11 Litigation 11 4.12 Material Contracts 12 - i - 4.13 Intellectual Property 14 4.14 Taxes and Returns 16 4.15 Real Property 17 4.16 Personal Property 17 4.17 Title to and Sufficiency of Assets 17 4.18 Employee Matters 18 4.19 Benefit Plans 19 4.20 Environmental Matters 20

4.21 Transactions with Related Persons 21 4.22 Insurance 21 4.23 Material Customers and Suppliers 22 4.24 Books and Records 22 4.25 Accounts Receivable 22 4.26 Certain Business Practices 22 4.27 Investment Company Act 23 4.28 Finders and Investment Bankers 23 4.29 Information Supplied 23 4.30 Disclosure 24 ARTICLE V REPRESENTATIONS AND WARRANTIES OF THE SELLER 24 5.1 Authorization; Binding Agreement 24 5.2 Ownership 24 5.3 Governmental Approvals 24 5.4 Non-Contravention 24 5.5 No Litigation 25 5.6 Investment Representations 25 5.7 Finders and Investment Bankers 26 5.8 Independent Investigation 26 5.9 Information Supplied 26 5.10 Disclosure 26 ARTICLE VI COVENANTS 27 6.1 Access and Information 27 6.2 Conduct of Business of the Company 28 6.3 Conduct of Business of the Purchaser 30 6.4 Purchaser Public Filings 32 - ii - 6.5 No Solicitation 32 6.6 No Trading 33 6.7 Notification of Certain Matters 34 6.8 Efforts 34 6.9 Further Assurances 34 6.10 Public Announcements 35 6.11 Confidential Information 35 6.12 Litigation Support 36 6.13 Documents and Information 36 6.14 Supplemental Disclosure Schedules 36 6.15 Director Appointment 37 6.16 Name Change 37 ARTICLE VII SURVIVAL 37 7.1 Survival 37 7.2 Indemnification by the Seller 38 7.3 General Indemnification Provisions 38 7.4 Indemnification Procedures 39 ARTICLE VIII CLOSING CONDITIONS 40 8.1 Conditions to Each Party's Obligations 40 8.2 Conditions to Obligations of the Company and the Seller 41 8.3 Conditions to Obligations of the Purchaser 42 8.4 Frustration of Conditions 43 ARTICLE IX TERMINATION AND EXPENSES 43 9.1 Termination 43 9.2 Effect of Termination 44 9.3 Fees and Expenses 44 ARTICLE X RELEASES 44 10.1 Release and Covenant Not to Sue 44 ARTICLE XI MISCELLANEOUS 45 11.1 Notices 45 11.2 Binding Effect; Assignment 46 11.3 Third Parties 46 11.4 Arbitration 46 11.5 Governing Law 46 - iii - 11.6 WAIVER OF JURY TRIAL 47 11.7 Specific Performance 47 11.8 Severability 47 11.9 Amendment 47 11.10 Waiver 47 11.11 Entire Agreement 48 11.12 Interpretation 48 11.13 Counterparts 49 ARTICLE XII DEFINITIONS 49 12.1 Certain Definitions 49 12.2 Section References 57 - iv - ARTICLE XIII EQUITY EXCHANGE AGREEMENT 57 This Equity Exchange Agreement (this "Agreement") is made and entered into as of January 31, 2025, by and among (i) China Jo-Jo Drugstores, Inc., a Cayman Islands exempted company (the "Purchaser"), (ii) Ridgeline International Limited (a "Company"), a Hong Kong private company (the "Company") and (iii) Lingtao Kong, a Hong Kong resident (the "Seller"). The Purchaser, the Company and the Seller are sometimes referred to herein individually as a "Party" and, collectively, as the "Parties". Capitalized terms, unless otherwise defined, shall have the meanings ascribed to such terms in ARTICLE XII hereof. RECITALS: WHEREAS, the Seller owns 100% of the issued and outstanding Company Ordinary Shares; WHEREAS, the Company owns 100% of the equity interests of Allright (Hangzhou) Internet Technology Co. Ltd. (a "Target Company"), a Chinese limited liability company (the "Allright" and together with the Company, the "Target Companies"); WHEREAS, the Target Companies operate in B2B and new wholesale services, focusing on pharmaceuticals, medical devices, health foods, cosmetics, and daily necessities; WHEREAS, the Seller desires to sell to the Purchaser, and the Purchaser desires to purchase from the Seller, all of the issued and outstanding shares and any other equity interests in or of the Company in exchange for newly issued Purchaser Shares, subject to the terms and conditions set forth herein (the "Acquisition Transaction"); WHEREAS, following the consummation of the Acquisition Transaction, the Target Companies will be directly or indirectly owned by the Purchaser; WHEREAS, concurrently with the entry into this Agreement, the Purchaser has entered into an equity exchange agreement (the "Divestiture Agreement") with Renovation Investment (Hong Kong) Co., Ltd. (a "Renovation"), a Hong Kong private company (the "Renovation"), Lei Liu, the current Chief Executive Officer and director of the Purchaser (the "Liu"), Li Qi, a director of the Purchaser (the "Qi"), and Oakview International Limited (a "Oakview"), a Hong Kong private company co-owned by Liu and Qi (the "Oakview"), collectively with Liu and Qi, the "Liu Parties"), pursuant to which the Purchaser will cause Renovation to transfer to Oakview all of the equity interests of Zhejiang Jiu Xin Investment Management Co. Ltd. (a "Jiu Xin"), a limited liability company incorporated in the People's Republic of China, in exchange for an irrevocable surrender to the Purchaser (for no consideration from the Purchaser) of an aggregate number of 2,548,353 Purchaser Shares held by Liu Parties and their Affiliates (the "Divestiture Transaction," and together with the Acquisition Transaction, the "Transactions"), representing approximately forty-one percent (41%) of issued and outstanding Purchaser Shares before giving effect to the Transactions; - 1 - WHEREAS, the Board of Directors of the Purchaser (the "Purchaser Board") has established a special committee of independent and disinterested members of the Purchaser Board (the "Special Committee") and delegated authority to the Special Committee to evaluate and approve the Transactions; WHEREAS, the Special Committee has unanimously (a) determined that this Agreement and the transactions contemplated by this Agreement are advisable, fair to and in the best interests of Purchaser and the shareholders of the Purchaser; (b) approved the execution and delivery of this Agreement by the Purchaser, the performance by the Purchaser of its covenants and other obligations hereunder, and the consummation of the Acquisition Transaction and other transactions contemplated hereby upon the terms and conditions set forth herein, and (c) resolved to recommend that the shareholders of the Purchaser adopt this Agreement at any Shareholder Meeting; NOW, THEREFORE, in consideration of the premises set forth above, which are incorporated in this Agreement as if fully set forth below, and the representations, warranties, covenants and agreements contained in this Agreement, and intending to be legally bound hereby, the Parties agree as follows: ARTICLE I THE SHARE EXCHANGE 1.1 Purchase and Sale of Shares. At the Closing and subject to and upon the terms and conditions of this Agreement, the Seller shall sell, transfer, convey, assign and deliver to the Purchaser, and the Purchaser shall purchase, acquire and accept from the Seller, all of the issued and outstanding Company Ordinary Shares (collectively, the "Purchased Shares"), free and clear of all Liens (other than potential restrictions on resale under applicable securities Laws). 1.2 Consideration. At the Closing and subject to and upon the terms and conditions of this Agreement, in full payment for the Purchased Shares, the Purchaser shall issue and deliver to the Seller 2,225,000 Purchaser Shares (the "Exchange Shares"). 1.3 Company Shareholder Consent. The Seller, as the sole shareholder of the Company, hereby approves, authorizes and consents to the Company's execution and delivery of this Agreement, the performance by the Company of its obligations hereunder and the consummation by the Company of the transactions contemplated hereby. The Seller

acknowledges and agrees that the consents set forth herein are intended and shall constitute such consent of the Seller as may be required (and shall, if applicable, operate as a written shareholder resolution of the Company) pursuant to the Organizational Documents of the Company, any other agreement in respect of the Company to which the Seller is a party and all applicable Laws. ARTICLE II CLOSING 2.1 Closing. The consummation of the transactions contemplated by this Agreement (the "Closing") shall occur substantially simultaneously with, and be conditioned upon the occurrence of, the consummation of the transactions contemplated by the Divestiture Agreement. In accordance with the terms and subject to the conditions of this Agreement and the Divestiture Agreement, the Closing shall take place electronically by the mutual exchange of electronic signatures (including portable document format (.PDF)) on the date which is two (2) Business Days after the first date on which all conditions set forth in ARTICLE VIII and Article II of the Divestiture Agreement shall have been satisfied or, to the extent legally permissible, waived (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or, to the extent legally permissible, waiver thereof), or at such other date, time or place as the Parties and the parties to the Divestiture Agreement may agree. The date on which the closing of the transactions contemplated herein and in the Divestiture Agreement actually occurs is referred to as the "Closing Date". - 2 - ARTICLE III REPRESENTATIONS AND WARRANTIES OF THE PURCHASER Except as set forth in (i) any SEC Reports (excluding any disclosures in any risk factors section that do not constitute statements of fact, disclosures in any forward-looking statements disclaimer and other disclosures that are generally cautionary, predictive or forward-looking in nature), (ii) the Divestiture Agreement and (iii) the schedules delivered by the Purchaser to the Seller and the Company on the date hereof (the "Purchaser Disclosure Schedules"), the Section numbers of which are numbered to correspond to the Section numbers of this Agreement to which they refer, the Purchaser represents and warrants to the Seller and the Company, as follows: 3.1 Due Incorporation and Good Standing. The Purchaser is duly incorporated, validly existing and in good standing (or the equivalent thereof) under the Laws of the Cayman Islands. The Purchaser has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. The Purchaser is duly qualified or licensed and in good standing to conduct business in each jurisdiction in which the character of the property owned, leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary, except for any deviations from any of the foregoing that would not reasonably be expected to have a Material Adverse Effect on the Purchaser. 3.2 Authorization; Binding Agreement. The Purchaser has all requisite corporate power and authority to execute and deliver this Agreement, to perform the Purchaser's obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby (a) have been duly and validly authorized by the Special Committee (acting on authority delegated by the Purchaser Board) and (b) no other corporate proceedings, other than as set forth elsewhere in the Agreement, on the part of the Purchaser are necessary to authorize the execution and delivery of this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Purchaser, and, assuming the due authorization, execution and delivery of this Agreement by the other Parties hereto, constitutes the valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, except to the extent that enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization and moratorium laws and other laws of general application affecting the enforcement of creditors' rights generally or by any applicable statute of limitation or by any valid defense of set-off or counterclaim, and the fact that equitable remedies or relief (including the remedy of specific performance) are subject to the discretion of the court from which such relief may be sought (collectively, the "Enforceability Exceptions"). - 3 - 3.3 Governmental Approvals. No Consent of or with any Governmental Authority on the part of the Purchaser is required to be obtained or made in connection with the execution, delivery or performance by the Purchaser of this Agreement or the consummation by the Purchaser of the transactions contemplated hereby, other than (a) such filings as may be required in any jurisdiction where the Purchaser is qualified or authorized to conduct business as a foreign corporation in order to maintain such qualification or authorization, (b) such filings as contemplated by this Agreement, (c) any filings required with the Nasdaq with respect to the transactions contemplated by this Agreement, (d) applicable requirements, if any, of the Securities Act, the Exchange Act, and/ or any state "blue sky" securities Laws, and the rules and regulations thereunder, and (e) where the failure to obtain or make such Consents or to make such filings or notifications, would not reasonably be expected to have a Material Adverse Effect on the Purchaser. 3.4 Non-Contravention. The execution and delivery by the Purchaser of this Agreement, the consummation by the Purchaser of the transactions contemplated hereby, and compliance by the Purchaser with any of the provisions hereof, will not (a) conflict with or violate any provision of the Purchaser's Organizational Documents, (b) subject to obtaining the Consents from Governmental Authorities referred to in Section 3.3 hereof, and any condition precedent to such Consent or waiver having been satisfied, conflict with or violate any Law, Order or Consent applicable to the Purchaser, or any of its properties or assets, or (c) (i) violate, conflict with or result in a breach of, (ii) constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, (iii) result in the termination, withdrawal, suspension, cancellation or modification of, (iv) accelerate the performance required by the Purchaser under, (v) result in a right of termination or acceleration under, (vi) give rise to any obligation to make payments or provide compensation under, (vii) result in the creation of any Lien upon any of the properties or assets of the Purchaser under, (viii) give rise to any obligation to obtain any third party consent or provide any notice to any Person or (ix) give any Person the right to declare a default, exercise any remedy, claim a rebate, chargeback, penalty or change in delivery schedule, accelerate the maturity or performance, cancel, terminate or modify any right, benefit, obligation or other term under, any of the terms, conditions or provisions of, any material Contract of the Purchaser, except for any deviations from any of the foregoing clauses (b) or (c) that would not reasonably be expected to have a Material Adverse Effect on the Purchaser. 3.5 Capitalization. (a) The Purchaser is authorized to issue (i) 150,000,000 ordinary shares of a par value of \$0.24 per share, and (ii) 10,000,000 preferred shares of a par value of \$0.001 per share. All outstanding Purchaser Shares are duly authorized, validly issued, fully paid and non-assessable and not subject to or issued in violation of any purchase option, right of first refusal, preemptive right, subscription right or any similar right under any provision of the CICA, the Organizational Document of the Purchaser or any Contract to which the Purchaser is a party. None of the outstanding Purchaser Shares has been issued in violation of any applicable securities Laws. (b) Other than as expressly set forth in this Agreement, there are no (i) outstanding options, warrants, puts, calls, convertible securities, preemptive or similar rights, (ii) bonds, debentures, notes or other Indebtedness having general voting rights or that are convertible or exchangeable into securities having such rights or (iii) subscriptions or other rights, agreements, arrangements, Contracts or commitments of any character (a) relating to the issued or unissued

shares of the Purchaser, or (b) obligating the Purchaser to issue, transfer, deliver or sell or cause to be issued, transferred, delivered, sold or repurchased any options or shares or securities convertible into or exchangeable for such shares, or (c) obligating the Purchaser to grant, extend or enter into any such option, warrant, call, subscription or other right, agreement, arrangement or commitment for such capital shares. Other than as expressly set forth in the Divestiture Agreement, there are no outstanding obligations of the Purchaser to repurchase, redeem or otherwise acquire any Purchaser Shares or to provide funds to make any investment (in the form of a loan, capital contribution or otherwise) in any Person. There are no shareholders agreements, voting trusts or other agreements or understandings to which the Purchaser is a party with respect to the voting of any shares of the Purchaser.

4 - (c) Since January 1, 2024, and except as contemplated by this Agreement, the Purchaser has not declared or paid any distribution or dividend in respect of its shares and has not repurchased, redeemed or otherwise acquired any of its shares, and the Purchaser Board has not authorized any of the foregoing.

3.6 SEC Filings and Purchaser Financials.

(a) The Purchaser, since January 1, 2024, has filed all forms, reports, schedules, statements, registrations statements, prospectuses and other documents required to be filed or furnished by the Purchaser with the SEC under the Securities Act and/or the Exchange Act, together with any amendments, restatements or supplements thereto (together with all certifications required pursuant to the United States Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act")) (such forms, reports, schedules, statements, registrations statements, prospectuses and other documents filed or furnished by the Purchaser with the SEC and all exhibits thereto and documents incorporated by reference therein, as have been amended or modified since the time of filing, collectively, the "SEC Reports"). The SEC Reports (i) were prepared in all material respects in accordance with the requirements of the Securities Act and the Exchange Act, as the case may be, the Sarbanes-Oxley Act and the applicable rules and regulations of the SEC thereunder and (ii) except to the extent corrected by any subsequent SEC Report, did not, as of their respective effective dates (in the case of SEC Reports that are registration statements filed pursuant to the requirements of the Securities Act) and at the time they were filed with the SEC (in the case of other SEC Reports) contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. As of the date of this Agreement, (a) the Purchaser Shares are listed on Nasdaq, (b) the Purchaser has not received any written deficiency notice from Nasdaq relating to the continued listing requirements of the Purchaser Shares, (c) there are no Actions pending or, to the Knowledge of the Purchaser, threatened against the Purchaser with respect to any intention by such entity to suspend, prohibit or terminate the quoting of the Purchaser Shares on Nasdaq and (d) the Purchaser Shares are in compliance with all of the applicable listing and corporate governance rules of Nasdaq.

(b) The financial statements and notes contained or incorporated by reference in the SEC Reports (the "Purchaser Financials"), fairly present in all material respects the financial position and the results of operations, changes in shareholders' equity, and cash flows of the Purchaser at the respective dates of and for the periods referred to in such financial statements, all in accordance with (i) GAAP methodologies applied on a consistent basis throughout the periods involved and (ii) Regulation S-X or Regulation S-K, as applicable, in each case, except as may be indicated in the notes thereto and for the omission of notes and audit adjustments in the case of unaudited quarterly financial statements to the extent permitted by Regulation S-X or Regulation S-K, as applicable.

5 - (c) Except as and to the extent reflected or reserved against in the Purchaser Financials, the Purchaser has not incurred any Liabilities or obligations of the type required to be reflected on a balance sheet in accordance with GAAP that is not adequately reflected or reserved on or provided for in the Purchaser Financials, other than Liabilities of the type required to be reflected on a balance sheet in accordance with GAAP that have been incurred since January 1, 2024 in the ordinary course of business.

3.7 Absence of Certain Changes. As of the date of this Agreement, the Purchaser has, since September 30, 2024, not received a notice of a Material Adverse Effect.

3.8 Actions; Orders; Permits. There is no pending or, to the Knowledge of the Purchaser, threatened Action to which the Purchaser is subject which would reasonably be expected to have a Material Adverse Effect on the Purchaser. There is no material Action that the Purchaser has pending against any other Person. The Purchaser is not subject to any material Orders of any Governmental Authority, nor are any such Orders pending. The Purchaser holds all Permits necessary to lawfully conduct its business as presently conducted, and to own, lease and operate its assets and properties, all of which are in full force and effect, except where the failure to hold such Permit or for such Permit to be in full force and effect would not reasonably be expected to have a Material Adverse Effect on the Purchaser.

3.9 Investment Company Act. The Purchaser is not an "investment company" or a Person directly or indirectly "controlled" by or acting on behalf of an "investment company", in each case within the meaning of the Investment Company Act of 1940, as amended.

3.10 Finders and Brokers. No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission from the Purchaser, the Target Companies or any of their respective Affiliates in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of the Purchaser.

3.11 Ownership of Exchange Shares. All Exchange Shares issued and delivered in accordance with ARTICLE I to the Seller shall be, upon issuance and delivery of such Exchange Shares, fully paid and non-assessable, free and clear of all Liens, other than restrictions arising from applicable securities Laws and any Liens incurred by the Seller, and the issuance and sale of such Exchange Shares pursuant hereto will not be subject to or give rise to any preemptive rights or rights of first refusal.

3.12 Independent Investigation. The Purchaser has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) or assets of the Target Companies, and acknowledge that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Target Companies for such purpose. The Purchaser acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, it has relied solely upon its own investigation and the express representations and warranties of the Company and the Seller set forth in ARTICLE IV and ARTICLE V (including the related portions of the Company Disclosure Schedules and any Supplemental Disclosure Schedules provided by the Company or the Seller); and (b) none of the Company, the Seller or their respective Representatives have made any representation or warranty as to the Target Companies, the Seller or this Agreement, except as expressly set forth in ARTICLE IV and ARTICLE V (including the related portions of the Company Disclosure Schedules and Supplemental Disclosure Schedules provided by the Company or the Seller).

6 - ARTICLE IV REPRESENTATIONS AND WARRANTIES OF THE SELLER IN RELATION TO THE COMPANY

Except as set forth in the disclosure schedules delivered by the Company to the Purchaser and the Purchaser on the date hereof (the "Company Disclosure Schedules"), the Section numbers of which are numbered to correspond to the Section numbers of this Agreement to which they refer, the Seller hereby represents and warrants to the Purchaser as follows:

4.1 Due Organization and Good Standing. The

Company is a private company duly organized, validly existing and in good standing under the Laws of Hong Kong and has all requisite power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Allright is a limited liability company duly formed, validly existing and in good standing under the Laws of China and has all requisite corporate power and authority to own, lease and operate its properties and to carry on its business as now being conducted. Each Target Company is duly qualified or licensed and in good standing in the jurisdiction in which it is incorporated or registered and in each other jurisdiction where it does business or operates to the extent that the character of the property owned, or leased or operated by it or the nature of the business conducted by it makes such qualification or licensing necessary. The Company has provided to the Purchaser accurate and complete copies of its Organizational Documents and the Organizational Documents of Allright, each as amended to date and as currently in effect. No Target Company is in violation of any provision of its Organizational Documents.

**4.2 Authorization; Binding Agreement.** The Company has all requisite corporate power and authority to execute and deliver this Agreement, to perform the Company's obligations hereunder and to consummate the transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby, (a) have been duly and validly authorized by the Company's board of directors and the Company's sole shareholder to the extent required by the Company's Organizational Documents, any other applicable Law or any Contract to which the Company or any of its shareholder is a party or by which it or its securities are bound and (b) no other proceedings on the part of the Company are necessary to authorize the execution and delivery of this Agreement or to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Company and assuming the due authorization, execution and delivery of this Agreement by the other Parties hereto, constitutes the legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to the Enforceability Exceptions.

**4.3 Capitalization.** (a) The Company is authorized to issue 950,000 Company Ordinary Shares, 950,000 of which shares are issued and outstanding. Prior to giving effect to the transactions contemplated by this Agreement, the Seller is the legal (registered) and beneficial owner of all of the issued and outstanding shares and other equity interests in or of the Company, all of which shares and other equity interests are owned free and clear of any Liens (other than those, if any, imposed by the Company's Organizational Documents). The Purchased Shares to be delivered by the Seller to the Purchaser at the Closing constitute all of the issued and outstanding shares and other equity interests in or of the Company. All of the outstanding shares and other equity interests in or of the Company have been duly authorized, are fully paid and non-assessable and not in violation of any purchase option, right of first refusal, preemptive right, subscription right or any similar right under any provision of any applicable Law, the Organizational Documents of the Company or any Contract to which the Company is a party or by which it or its securities are bound. The Company holds no shares or other equity interests in or of the Company in its treasury. None of the outstanding shares or other equity interests in or of the Company were issued in violation of any applicable securities Laws. (b) There are no options, warrants or other rights to subscribe for or purchase any shares or other equity interests in or of the Company or securities convertible into or exchangeable for, or that otherwise confer on the holder any right to acquire, any shares or other equity interests in or of the Company, or preemptive rights or rights of first refusal or first offer, nor are there any Contracts, commitments, arrangements or restrictions to which the Company or any of its shareholders is a party or bound relating to any equity securities of the Company, whether or not outstanding. There are no outstanding or authorized equity appreciation, phantom equity or similar rights with respect to the Company. There are no voting trusts, proxies, shareholder agreements or any other agreements or understandings with respect to the voting of the Company's shares or other equity interests. There are no outstanding contractual obligations of the Company to repurchase, redeem or otherwise acquire any shares or other equity interests or securities in or of the Company, nor has the Company granted any registration rights to any Person with respect to the Company's equity securities. All of the Company's securities have been granted, offered, sold and issued in compliance with all applicable securities Laws. As a result of the consummation of the transactions contemplated by this Agreement, no shares or other equity interests in or of the Company are issuable and no rights in connection with any interests, warrants, rights, options or other securities of the Company accelerate or otherwise become triggered (whether as to vesting, exercisability, convertibility or otherwise). (c) Since January 1, 2024, the Company has not declared or paid any distribution or dividend in respect of its shares or other equity interests and has not repurchased, redeemed or otherwise acquired any shares or other equity interests in or of the Company, and the board of directors of the Company has not authorized any of the foregoing.

**4.4 Subsidiaries.** (a) Other than Allright, the Company does not have any Subsidiaries or own or have any rights to acquire, directly or indirectly, any shares or other equity interests of any Person. All of the outstanding equity securities of Allright are duly authorized and validly issued, fully paid and non-assessable (if applicable), and were offered, sold and delivered in compliance with all applicable securities Laws, and owned by the Company free and clear of all Liens (other than those, if any, imposed by Allright's Organizational Documents). There are no Contracts to which the Company or any of its Affiliates is a party or bound with respect to the voting (including voting trusts or proxies) of the shares or other equity interests of Allright other than the Organizational Documents of Allright. There are no outstanding or authorized options, warrants, rights, agreements, subscriptions, convertible securities or commitments to which Allright is a party or which are binding upon Allright providing for the issuance or redemption of any shares or other equity interests in or of any Subsidiary of the Company. There are no outstanding equity appreciation, phantom equity, profit participation or similar rights granted by Allright. Allright does not have any limitation on its ability to make any distributions or dividends to its equity holders, whether by Contract, Order or applicable Law. None of the Company or Allright is a participant in any joint venture, partnership or similar arrangement. There are no outstanding material contractual obligations of the Company or Allright to provide funds to, or make any investment (in the form of a loan, capital contribution or otherwise) in, any other Person (other than loans to customers in the ordinary course of business). (b) The Seller is the legal and beneficial owner of one hundred percent (100%) of the issued and outstanding equity interests of the Company. There are no outstanding options, warrants, rights (including conversion rights, preemptive rights, rights of first refusal or similar rights) or agreements to purchase or acquire any equity interest, or any securities convertible into or exchangeable for an equity interest, of the Company.

**4.5 Governmental Approvals.** No Consent of or with any Governmental Authority on the part of any Target Company is required to be obtained or made in connection with the execution, delivery or performance by the Company of this Agreement or the consummation by the Company of the transactions contemplated hereby other than such filings as contemplated by this Agreement.

**4.6 Non-Contravention.** The execution and delivery by the Company (or any other Target Company, as applicable) of this Agreement and the consummation by any Target Company of the transactions contemplated hereby and thereby and compliance by any Target Company with any of the

provisions hereof and thereof, will not (a) conflict with or violate any provision of any Target Company's Organizational Documents, (b) subject to obtaining the Consents from Governmental Authorities referred to in Section 4.5 hereof, and any condition precedent to such Consent or waiver having been satisfied, conflict with or violate any Law, Order or Consent applicable to any Target Company or any of their properties or assets, or (c) (i) violate, conflict with or result in a breach of, (ii) constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, (iii) result in the termination, withdrawal, suspension, cancellation or modification of, (iv) accelerate the performance required by any Target Company under, (v) result in a right of termination or acceleration under, (vi) give rise to any obligation to make payments or provide compensation under, (vii) result in the creation of any Lien upon any of the properties or assets of any Target Company under, (viii) give rise to any obligation to obtain any third party consent or provide any notice to any Person or (ix) give any Person the right to declare a default, exercise any remedy, claim a rebate, chargeback, penalty or change in delivery schedule, accelerate the maturity or performance, cancel, terminate or modify any right, benefit, obligation or other term under, any of the terms, conditions or provisions of, any Company Material Contract, except for any deviations from any of the foregoing clauses (b) or (c) that would not reasonably be expected to have a Material Adverse Effect on the Company.

**4.7 Financial Statements.** (a) As used herein, the term "Company Financials" means (i) the unaudited consolidated financial statements of the Target Companies (including, in each case, any related notes thereto), consisting of the consolidated balance sheet of the Target Companies as of March 31, 2024, and the related consolidated audited income statement, changes in shareholder equity and statement of cash flows for the years then ended and (ii) the unaudited financial statements, consisting of the consolidated balance sheet of the Target Companies as of September 30, 2024 (the "Interim Balance Sheet", and the date thereof, the "Interim Balance Sheet Date") and the related consolidated income statement, changes in shareholder equity and statement of cash flows for the six (6) months then ended. The Company Financials (i) accurately reflect the books and records of the Target Companies as of the times and for the periods referred to therein, (ii) were prepared in accordance with GAAP, consistently applied throughout and among the periods involved (except that the unaudited statements exclude the footnote disclosures and other presentation items required for GAAP and exclude year-end adjustments which will not be material in amount), and (iii) fairly present in all material respects the financial position of the Target Companies as of the respective dates thereof and the results of the operations and cash flows of the Target Companies for the periods indicated. (b) Each Target Company maintains accurate books and records reflecting its assets and Liabilities and maintains proper and adequate internal accounting controls that provide reasonable assurance that (i) such Target Company does not maintain any off-the-book accounts and that such Target Company's assets are used only in accordance with the Target Company's management directives, (ii) transactions are executed with management's authorization, (iii) transactions are recorded as necessary to permit preparation of the financial statements of such Target Company and to maintain accountability for such Target Company's assets, (iv) access to such Target Company's assets is permitted only in accordance with management's authorization, (v) the reporting of such Target Company's assets is compared with existing assets at regular intervals and verified for actual amounts and (vi) accounts, notes and other receivables are recorded accurately, and proper and adequate procedures are implemented to effect the collection of accounts, notes and other receivables on a current and timely basis. No Target Company has been subject to or involved in any material fraud that involves management or other employees who have a significant role in the internal controls over financial reporting of the Company and its Subsidiaries. Since January 1, 2024, no Target Company or its Representatives has received any written complaint, allegation, assertion or claim regarding the accounting or auditing practices, procedures, methodologies or methods of any Target Company or its internal accounting controls, including any material written complaint, allegation, assertion or claim that any Target Company has engaged in questionable accounting or auditing practices. (c) No Target Company has ever been subject to the reporting requirements of Sections 13(a) and 15(d) of the Exchange Act. (d) All material Indebtedness of the Target Companies is disclosed in the financial statements and related notes previously delivered to the Purchaser. No Indebtedness of any Target Company contains any restriction upon (i) the prepayment of any of such Indebtedness, (ii) the incurrence of Indebtedness by any Target Company, or (iii) the ability of the Target Companies to grant any Lien on their respective properties or assets. - 10 - (e) No Target Company is subject to any Liabilities or obligations (whether or not required to be reflected on a balance sheet prepared in accordance with GAAP), except for those that are either (i) adequately reflected or reserved on or provided for in the consolidated balance sheet of the Company and its Subsidiaries as of the Interim Balance Sheet Date contained in the Company Financials or (ii) not material and that were incurred after the Interim Balance Sheet Date in the ordinary course of business consistent with past practice (other than Liabilities for breach of any Contract or violation of any Law). (f) All financial projections with respect to the Target Companies that were delivered by or on behalf of the Company to the Purchaser or their Representatives were prepared in good faith using assumptions that the Company believes to be reasonable.

**4.8 Absence of Certain Changes.** Since January 1, 2024, each Target Company has (a) conducted its business only in the ordinary course of business consistent with past practice, (b) not been subject to a Material Adverse Effect and (c) has not taken any action or committed or agreed to take any action that would be prohibited by Section 6.2 if such action were taken on or after the date hereof without the consent of the Purchaser.

**4.9 Compliance with Laws.** No Target Company is or has been in material conflict or non-compliance with, or in material default or violation of, nor has any Target Company received, since January 1, 2024, any written or, to the Knowledge of the Company, oral notice of any material conflict or non-compliance with, or material default or violation of, any applicable Laws by which it or any of its properties, assets, employees, business or operations are or were bound or affected.

**4.10 Company Permits.** Each Target Company (and its employees who are legally required to be licensed by a Governmental Authority in order to perform his or her duties with respect to his or her employment with any Target Company), holds all Permits necessary to lawfully conduct in all material respects its business as presently conducted and as currently contemplated to be conducted, and to own, lease and operate its assets and properties (collectively, the "Company Permits"). The Company has made available to the Purchaser true, correct and complete copies of all material Company Permits. All of the Company Permits are in full force and effect, and no suspension or cancellation of any of the Company Permits is pending or, to the Company's Knowledge, threatened. No Target Company is in violation in any material respect of the terms of any Company Permit.

**4.11 Litigation.** There is no (a) Action of any nature pending or, to the Company's Knowledge, threatened, nor is there any reasonable basis for any Action to be made, or (b) Order pending now or rendered by a Governmental Authority since January 1, 2024, in either case of (a) or (b) by or against any Target Company, its current or former directors, officers or equity holders (provided, that any litigation involving the directors, officers or equity holders of a Target

Company must be related to the Target Company's business, equity securities or assets), its business, equity securities or assets. Since January 1, 2024, none of the current or former officers, senior management or directors of any Target Company have been charged with, indicted for, arrested for, or convicted of any felony or any crime involving fraud.

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#### 4.12 Material Contracts.

(a) For the purposes of this Agreement, each Contract described in this Section 4.12(a) to which any Target Company is a party or by which any Target Company, or any of its properties or assets are bound or affected shall be a "Company Material Contract":

- (i) any Contract that contains covenants that limit the ability of any Target Company (a) to compete in any line of business or with any Person or in any geographic area or to sell, or provide any service or product or solicit any Person, including any non-competition covenants, employee and customer non-solicit covenants, exclusivity restrictions, rights of first refusal or most-favored pricing clauses or (b) to purchase or acquire an interest in any other Person;
- (ii) any Contract that involves any joint venture, profit-sharing, partnership, limited liability company or other similar agreement or arrangement relating to the formation, creation, operation, management or control of any partnership or joint venture;
- (iii) any Contract that involves any exchange traded, over the counter or other swap, cap, floor, collar, futures contract, forward contract, option or other derivative financial instrument or Contract, based on any commodity, security, instrument, asset, rate or index of any kind or nature whatsoever, whether tangible or intangible, including currencies, interest rates, foreign currency and indices;
- (iv) any Contract that evidences Indebtedness (whether incurred, assumed, guaranteed or secured by any asset) of any Target Company having an outstanding principal amount in excess of \$500,000;
- (v) any Contract that involves the acquisition or disposition, directly or indirectly (by merger or otherwise), of assets with an aggregate value in excess of \$500,000 (other than in the ordinary course of business consistent with past practice) or shares or other equity interests in or of another Person;
- (vi) any Contract that relates to any merger, consolidation or other business combination with any other Person or the acquisition or disposition of any other entity or its business or material assets or the sale of any Target Company, its business or material assets;
- (vii) any Contract that by its terms, individually or with all related Contracts, calls for aggregate payments or receipts by the Target Companies under such Contract or Contracts of more than \$1,000,000 in the aggregate;
- (viii) any Contract that obligates the Target Companies to provide continuing indemnification or a guarantee of obligations of a third party after the date hereof in excess of \$100,000;

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- (ix) any Contract between any Target Company and any material customer or supplier of any Target Company (other than in the ordinary course of business);
- (x) any Contract between any Target Company and any directors, officers or employees of a Target Company (other than at-will employment arrangements with employees entered into in the ordinary course of business consistent with past practice), including all non-competition, severance and indemnification agreements, or any Related Person;
- (xi) any Contract that obligates the Target Companies to make any capital commitment or expenditure in excess of \$500,000 (including pursuant to any joint venture);
- (xii) any Contract that relates to a material settlement entered into within three (3) years prior to the date of this Agreement or under which any Target Company has outstanding obligations (other than customary confidentiality obligations or in the ordinary course of business);
- (xiii) any Contract that provides another Person (other than another Target Company or any manager, director or officer of any Target Company) with a power of attorney;
- (xiv) any Contract that relates to the development, ownership, licensing or use of any Intellectual Property by, to or from any Target Company, other than Off-the-Shelf Software Agreements;
- (xv) any Contract that relates to any real estates, including, without limitation, leases, lease guarantees, agreements and documents related thereto;
- (xvi) any Contract that evidences any Liens; or
- (xvii) any Contract that is otherwise material to any Target Company and not described in clauses (i) through (xvi) above.

(b) With respect to each Company Material Contract:

- (i) such Company Material Contract is valid and binding and enforceable in all respects against the Target Company party thereto (subject to the Enforceability Exceptions) and, to the Knowledge of the Company, each other party thereto, and is in full force and effect;
- (ii) neither the execution of this Agreement nor the consummation of the transactions contemplated by this Agreement will affect the validity or enforceability of any Company Material Contract;
- (iii) no Target Company is in breach or default in any respect, and no event has occurred that with the passage of time or giving of notice or both would constitute a breach or default by any Target Company, or permit termination or acceleration by the other party thereto, under such Company Material Contract;
- (iv) to the Knowledge of the Company, no other party to such Company Material Contract is in breach or default in any respect, and no event has occurred that with the passage of time or giving of notice or both would constitute such a breach or default by such other party, or permit termination or acceleration by any Target Company, under such Company Material Contract;
- (v) no Target Company has received written or, to the Knowledge of the Company, oral notice of an intention by any party to any such Company Material Contract that provides for a continuing obligation by any party thereto to terminate such Company Material Contract or amend the terms thereof, other than modifications in the ordinary course of business that do not adversely affect any Target Company; and
- (vi) no Target Company has waived any rights under any such Company Material Contract.

The Company and the Seller have made available to the Purchaser accurate and complete copies of all Company Material Contracts.

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#### 4.13 Intellectual Property.

(a) Each Target Company owns, free and clear of all Liens (other than Permitted Liens), has valid and enforceable rights in, and has the unrestricted right to use, sell, license, transfer or assign, all Intellectual Property currently used, licensed or held for use by such Target Company, and previously used or licensed by such Target Company, except for the Intellectual Property that is the subject of the Company IP Licenses. For each Patent and Patent application in the Company Registered IP, the Target Companies have obtained valid assignments of inventions from each inventor. All Company Registered IP is owned exclusively by the applicable Target Company without obligation to pay royalties, licensing fees or other fees, or otherwise account to any third party with respect to such Company Registered IP.

(b) Each Target Company has a valid and enforceable license to use all Intellectual Property that is the subject of the Company IP Licenses applicable to such Target Company. The Company IP Licenses include all of the licenses, sublicenses and other agreements or permissions necessary to operate the Target Companies as presently conducted. Each Target Company has performed all obligations imposed on it in the Company IP Licenses, has made all payments required to date, and such Target Company is not, nor, to the Knowledge of the Company, is any other party thereto, in breach or default thereunder, nor has any event occurred that with notice or lapse of time or both would constitute a default thereunder. The continued use by the Target Companies of the Intellectual Property that is the subject of the Company IP Licenses in the same manner that it is currently being used is not restricted by any applicable license of any Target Company. All registrations for Copyrights, Patents and Trademarks that are owned by or exclusively licensed to any Target Company are valid and in force, and all applications to register any Copyrights, Patents and Trademarks are pending and in good standing, all without challenge of any kind. No Target Company is party to any Contract that requires a Target Company to assign to any Person all of its rights in any Intellectual

Property developed by a Target Company under such Contract. (c) With respect to all licenses, sublicenses and other agreements or permissions under which a Target Company is the licensor (each, an "Outbound IP License"), each Target Company has performed all obligations imposed on it therein, and such Target Company is not, nor, to the Knowledge of the Company, is any other party thereto, in breach or default thereunder, nor has any event occurred that with notice or lapse of time or both would constitute a default thereunder. (d) No Action is pending or, to the Company's Knowledge, threatened that challenges the validity, enforceability, ownership, or right to use, sell, license or sublicense any Intellectual Property currently licensed, used or held for use by the Target Companies in any material respect. No Target Company has received any written or, to the Knowledge of the Company, oral notice or claim asserting or suggesting that any infringement, misappropriation, violation, dilution or unauthorized use of the Intellectual Property of any other Person is or may be occurring or has or may have occurred, as a consequence of the business activities of any Target Company, nor to the Knowledge of the Company is there a reasonable basis therefor. There are no Orders to which any Target Company is a party or its otherwise bound that (i) restrict the rights of a Target Company to use, transfer, license or enforce any Intellectual Property owned by a Target Company, (ii) restrict the conduct of the business of a Target Company in order to accommodate a third Person's Intellectual Property, or (iii) grant any third Person any right with respect to any Intellectual Property owned by a Target Company. No Target Company is currently infringing, or has, in the past, infringed, misappropriated or violated any Intellectual Property of any other Person in any material respect in connection with the ownership, use or license of any Intellectual Property owned or purported to be owned by a Target Company or, to the Knowledge of the Company, otherwise in connection with the conduct of the respective businesses of the Target Companies. To the Company's Knowledge, no third party is infringing upon, has misappropriated or is otherwise violating any Intellectual Property owned, licensed by, licensed to, or otherwise used or held for use by any Target Company ( "Company IP") in any material respect. - 14 - (e) All employees and independent contractors of a Target Company have assigned to the Target Companies all Intellectual Property arising from the services performed for a Target Company by such Persons. No current or former officers, employees or independent contractors of a Target Company have claimed any ownership interest in any Intellectual Property owned by a Target Company. To the Knowledge of the Company, there has been no violation of a Target Company's policies or practices related to protection of Company IP or any confidentiality or nondisclosure Contract relating to the Intellectual Property owned by a Target Company. The Company has provided the Purchaser with true and complete copies of all written Contracts referenced in subsections under which employees and independent contractors assigned their Intellectual Property to a Target Company. (f) To the Knowledge of the Company, no Person has obtained unauthorized access to third party information and data in the possession of a Target Company, nor has there been any other compromise of the security, confidentiality or integrity of such information or data. Each Target Company has complied with all applicable Laws relating to privacy, personal data protection, and the collection, processing and use of personal information and its own privacy policies and guidelines. The operation of the business of the Target Companies has not and does not materially violate any right to privacy or publicity of any third person, or constitute unfair competition or trade practices under applicable Law. (g) The consummation of any of the transactions contemplated by this Agreement will neither violate nor by their terms result in the material breach, material modification, cancellation, termination, suspension of, or acceleration of any payments with respect to, or release of source code because of (i) any Contract providing for the license or other use of Intellectual Property owned by a Target Company, or (ii) any Company IP License. Following the Closing, the Company shall be permitted to exercise, directly or indirectly through its Subsidiaries, all of the Target Companies' rights under such Contracts or IP Licenses described in the previous sentence to the same extent that the Target Companies would have been able to exercise had the transactions contemplated by this Agreement not occurred, without the payment of any additional amounts or consideration other than ongoing fees, royalties or payments which the Target Companies would otherwise be required to pay in the absence of such transactions. - 15 - 4.14 Taxes and Returns. (a) Each Target Company has or will have timely filed, or caused to be timely filed, all Tax Returns and reports required to be filed by it (taking into account all available extensions), which Tax Returns are true, accurate, correct and complete in all material respects, and has paid, collected or withheld, or caused to be paid, collected or withheld, all Taxes required to be paid, collected or withheld, other than such Taxes for which adequate reserves in the Company Financials have been established in accordance with GAAP. Each Target Company has complied with all applicable Laws relating to Tax. (b) There is no current pending or, to the Knowledge of the Company, threatened Action against a Target Company by a Governmental Authority in a jurisdiction where the Target Company does not file Tax Returns that it is or may be subject to taxation by that jurisdiction. (c) No Target Company is being audited by any Tax authority or has been notified in writing or, to the Knowledge of the Company, orally by any Tax authority that any such audit is contemplated or pending. There are no claims, assessments, audits, examinations, investigations or other Actions pending against a Target Company in respect of any Tax, and no Target Company has been notified in writing of any proposed Tax claims or assessments against it (other than, in each case, claims or assessments for which adequate reserves in the Company Financials have been established). (d) There are no Liens with respect to any Taxes upon any Target Company's assets, other than Permitted Liens. (e) Each Target Company has collected or withheld all Taxes currently required to be collected or withheld by it, and all such Taxes have been paid to the appropriate Governmental Authorities or set aside in appropriate accounts for future payment when due. (f) No Target Company has any outstanding waivers or extensions of any applicable statute of limitations to assess any amount of Taxes. There are no outstanding requests by a Target Company for any extension of time within which to file any Tax Return or within which to pay any Taxes shown to be due on any Tax Return. (g) No Target Company has made any change in accounting method or received a ruling from, or signed an agreement with, any taxing authority that would reasonably be expected to have a material impact on its Taxes following the Closing. (h) No Target Company has any Liability for the Taxes of another Person (other than another Target Company) (i) under any applicable Tax Law, (ii) as a transferee or successor, or (iii) by contract, indemnity or otherwise. No Target Company is a party to or bound by any Tax indemnity agreement, Tax sharing agreement or Tax allocation agreement or similar agreement, arrangement or practice with respect to Taxes (including advance pricing agreement, closing agreement or other agreement relating to Taxes with any Governmental Authority) that will be binding on the Company or its Subsidiaries with respect to any period following the Closing Date. (i) No Target Company has requested, or is the subject of or bound by any private letter ruling, technical advice memorandum, closing agreement or similar ruling, memorandum or agreement with any Governmental Authority with respect to any Taxes, nor is any such request outstanding. - 16 - 4.15 Real Property. The Company has provided to the Purchaser a true and complete copy of each of all current leases, lease guarantees, agreements and documents related all premises currently leased or subleased or otherwise used or occupied by a Target Company for the operation

of the business of a Target Company, including all amendments, terminations and modifications thereof or waivers thereto (collectively, the "Company Real Property Leases"), and in the case of any oral Company Real Property Lease, a written summary of the material terms of such Company Real Property Lease. The Company Real Property Leases are valid, binding and enforceable in accordance with their terms and are in full force and effect. To the Knowledge of the Company, no event has occurred which (whether with or without notice, lapse of time or both or the happening or occurrence of any other event) would constitute a default on the part of a Target Company or any other party under any of the Company Real Property Leases, and no Target Company has received notice of any such condition. No Target Company owns or has ever owned any real property or any interest in real property (other than the leasehold interests in the Company Real Property Leases).

4.16 Personal Property. All Personal Property which is currently owned, used or leased by a Target Company are in good operating condition and repair (reasonable wear and tear excepted) in all material respects, and are suitable for their intended use in the business of the Target Companies. The Company has provided to the Purchaser a true and complete copy of each of the lease agreements and lease guarantees related to Personal Property which is currently owned, used or leased by a Target Company with a book value or fair market value of greater than \$25,000 (collectively, the "Company Personal Property Leases"), and in the case of any oral Company Personal Property Lease, a written summary of the material terms of such Company Personal Property Lease. The Company Personal Property Leases are valid, binding and enforceable in accordance with their terms and are in full force and effect. To the Knowledge of the Company, no event has occurred which (whether with or without notice, lapse of time or both or the happening or occurrence of any other event) would constitute a default on the part of a Target Company or any other party under any of the Company Personal Property Leases, and no Target Company has received notice of any such condition.

4.17 Title to and Sufficiency of Assets. Each Target Company has good and marketable title to, or a valid leasehold interest in or right to use, all of its assets, free and clear of all Liens other than (a) Permitted Liens, (b) the rights of lessors under leasehold interests and (c) Liens specifically identified on the Interim Balance Sheet. The assets (including Intellectual Property rights and contractual rights) of the Target Companies constitute all of the assets, rights and properties that are used in the operation of the businesses of the Target Companies as it is now conducted and presently proposed to be conducted or that are used or held by the Target Companies for use in the operation of the businesses of the Target Companies, and taken together, are adequate and sufficient for the operation of the businesses of the Target Companies as currently conducted and as presently proposed to be conducted.

4.18 Employee Matters. (a) No Target Company is a party to any collective bargaining agreement or other Contract with any group of employees, labor organization or other representative of any of the employees of any Target Company and the Company has no Knowledge of any activities or proceedings of any labor union or other party to organize or represent such employees. There has not occurred or, to the Knowledge of the Company, been threatened any strike, slow-down, picketing, work-stoppage, or other similar labor activity with respect to any such employees. There are no material unresolved labor controversies (including unresolved grievances and age or other discrimination claims), if any, that are pending or, to the Knowledge of the Company, threatened between any Target Company and Persons employed by or providing services to a Target Company. No current officer or employee of a Target Company has provided any Target Company written or, to the Knowledge of the Company, oral notice of his or her plan to terminate his or her employment with any Target Company. (b) Each Target Company (i) is and has been in compliance in all material respects with all applicable Laws respecting employment and employment practices, terms and conditions of employment, health and safety and wages and hours, and other Laws relating to discrimination, disability, labor relations, hours of work, payment of wages and overtime wages, pay equity, immigration, workers compensation, working conditions, employee scheduling, occupational safety and health, family and medical leave, and employee terminations, and have not received written notice, or any other form of notice, that there is any pending Action involving unfair labor practices against a Target Company, (ii) is not liable for any material arrears of wages or any material penalty for failure to comply with any of the foregoing, and (iii) is not liable for any material payment to any Governmental Authority with respect to unemployment compensation benefits, social security or other benefits or obligations for employees, independent contractors or consultants (other than routine payments to be made in the ordinary course of business and consistent with past practice). There are no Actions pending or, to the Knowledge of the Company, threatened against a Target Company brought by or on behalf of any applicant for employment, any current or former employee, any Person alleging to be a current or former employee, or any Governmental Authority, relating to any such Law or regulation, or alleging breach of any express or implied contract of employment, wrongful termination of employment, or alleging any other discriminatory, wrongful or tortious conduct in connection with the employment relationship. (c) The Company has made available to the Purchaser a complete and accurate list of all employees of the Target Companies showing for each as of that date (i) the employee's name, job title or description, employer, location, salary level (including any bonus, commission, deferred compensation or other remuneration payable (other than any such arrangements under which payments are at the discretion of the Target Companies)), (ii) any bonus, commission or other remuneration other than salary paid during the calendar year ending December 31, 2024, and (iii) any wages, salary, bonus, commission or other compensation due and owing to each employee during or for the calendar year ending December 31, 2024. Except disclosed in Schedule 4.18(c), no employee is a party to a written employment Contract with a Target Company and each is employed with a non-fixed term in accordance with the Chinese Labor Contract Law, and the Target Companies have paid in full to all such employees all wages, salaries, commission, bonuses and other compensation due to its employees, including overtime compensation, and there are no severance payments which are or could become payable by a Target Company to any such employees under the terms of any written or, to the Company's Knowledge, oral agreement, or commitment or any Law, custom, trade or practice. Each such employee has entered into the Company's standard form of employee non-disclosure, inventions and restrictive covenants agreement with the Company or its Subsidiaries (whether pursuant to a separate agreement or incorporated as part of such employee's overall employment agreement), a copy of which has been provided to the Purchaser by the Company.

4.18 - 18 - (d) There are no independent contractors (including consultants) currently engaged by any Target Company, along with the position, a description of responsibilities, the entity engaging such Person, date of retention and rate of remuneration, most recent increase (or decrease) in remuneration and amount thereof, for each such Person. Each such independent contractors are a party to a written Contract with a Target Company. Each such independent contractor has entered into customary covenants regarding confidentiality, non-competition and assignment of inventions and copyrights in such Person's agreement with a Target Company, a copy of which has been provided to the Purchaser by the Company. For the purposes of applicable Law, including the Code, all independent contractors who are currently, or within the last six (6) years have been, engaged by a Target Company are bona fide independent

contractors and not employees of a Target Company. Each independent contractor is terminable on fewer than thirty (30) days' notice, without any obligation of any Target Company to pay severance or a termination fee.

**4.19 Benefit Plans.** (a) The Company has made available to the Purchaser a true and complete list of each Foreign Plan of a Target Company (each, a "Company Benefit Plan"). No Target Company has ever maintained or contributed to (or had an obligation to contribute to) any "employee benefit plan" (as defined in Section 3(3) of ERISA). (b) With respect to each Company Benefit Plan which covers any current or former officer, director, consultant or employee (or beneficiary thereof) of a Target Company, the Company has provided to the Purchaser accurate and complete copies, if applicable, of: (i) all Company Benefit Plans and related trust agreements or annuity Contracts (including any amendments, modifications or supplements thereto); (ii) the most recent annual and periodic accounting of plan assets; (iii) the most recent actuarial valuation; and (iv) all communications with any Governmental Authority concerning any matter that is still pending or for which a Target Company has any outstanding Liability or obligation. (c) With respect to each Company Benefit Plan: (i) such Company Benefit Plan has been administered and enforced in all material respects in accordance with its terms and the requirements of any and all applicable Laws, and has been maintained, where required, in good standing with applicable regulatory authorities and Governmental Authorities; (ii) no breach of fiduciary duty has occurred; (iii) no Action is pending, or to the Company's Knowledge, threatened (other than routine claims for benefits arising in the ordinary course of administration); and (iv) all contributions and premiums required to be made with respect to a Company Benefit Plan have been timely made. No Target Company has incurred any obligation in connection with the termination of, or withdrawal from, any Company Benefit Plan. (d) The present value of the accrued benefit liabilities (whether or not vested) under each Company Benefit Plan, determined as of the end of the Company's most recently ended fiscal year on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the assets of such Company Benefit Plan allocable to such benefit liabilities.

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(e) The consummation of the transactions contemplated by this Agreement will not: (i) entitle any individual to severance pay, unemployment compensation or other benefits or compensation; or (ii) accelerate the time of payment or vesting, or increase the amount of any compensation due, or in respect of, any individual. (f) Except to the extent required by applicable Law, no Target Company provides health or welfare benefits to any former or retired employee or is obligated to provide such benefits to any active employee following such employee's retirement or other termination of employment or service. (g) All Company Benefit Plans can be terminated at any time as of or after the Closing Date without resulting in any liability to any Target Company, the Purchaser or their respective Affiliates for any additional contributions, penalties, premiums, fees, fines, excise taxes or any other charges or liabilities.

**4.20 Environmental Matters.** (a) Each Target Company is and has been in compliance in all material respects with all applicable Environmental Laws, including obtaining, maintaining in good standing, and complying with all Permits required for its business and operations by Environmental Laws (the "Environmental Permits"), no Action is pending or, to the Company's Knowledge, threatened to revoke, modify, or terminate any such Environmental Permit, and, to the Company's Knowledge, no facts, circumstances, or conditions currently exist that could adversely affect such continued compliance with Environmental Laws and Environmental Permits or require capital expenditures to achieve or maintain such continued compliance with Environmental Laws and Environmental Permits. (b) No Target Company is the subject of any outstanding Order or Contract with any Governmental Authority or other Person in respect of any: (i) Environmental Laws, (ii) Remedial Action, or (iii) Release or threatened Release of a Hazardous Material. No Target Company has assumed, contractually or by operation of Law, any Liabilities or obligations under any Environmental Laws. (c) No Action has been made or is pending, or to the Company's Knowledge, threatened against any Target Company or any assets of a Target Company alleging either or both that a Target Company may be in material violation of any Environmental Law or Environmental Permit or may have any material Liability under any Environmental Law. (d) No Target Company has manufactured, treated, stored, disposed of, arranged for or permitted the disposal of, generated, handled or released any Hazardous Material, or owned or operated any property or facility, in a manner that has given or would reasonably be expected to give rise to any material Liability or obligation under applicable Environmental Laws. No fact, circumstance, or condition exists in respect of any Target Company or any property currently or formerly owned, operated, or leased by any Target Company or any property to which a Target Company arranged for the disposal or treatment of Hazardous Materials that could reasonably be expected to result in a Target Company incurring any material Environmental Liabilities.

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(e) There is no investigation of the business, operations, or currently owned, operated, or leased property of a Target Company or, to the Company's Knowledge, previously owned, operated, or leased property of a Target Company pending or, to the Company's Knowledge, threatened that could lead to the imposition of any Liens under any Environmental Law or material Environmental Liabilities. (f) To the Knowledge of the Company, there is not located at any of the properties of a Target Company any: (i) underground storage tanks, (ii) asbestos-containing material, or (iii) equipment containing polychlorinated biphenyls. (g) The Company has provided to the Purchaser all environmentally related site assessments, audits, studies, reports and results of investigations that have been performed in respect of the currently or previously owned, leased, or operated properties of any Target Company.

**4.21 Transactions with Related Persons.** Except as set forth in the financial statements and related notes previously delivered to the Purchaser, no Target Company nor any of its Affiliates, nor any officer, director, manager, employee, trustee or beneficiary of a Target Company or any of its Affiliates, nor any immediate family member of any of the foregoing (whether directly or indirectly through an Affiliate of such Person) (each of the foregoing, a "Related Person") is presently, or since January 1, 2024 has been, a party to any transaction with a Target Company, including any Contract or other arrangement: (a) providing for the furnishing of services by (other than as officers, directors or employees of the Target Company), (b) providing for the rental of real property or Personal Property from or (c) otherwise requiring payments to (other than for services or expenses as directors, officers or employees of the Target Company in the ordinary course of business consistent with past practice), any Related Person or any Person in which any Related Person has an interest as an owner, officer, manager, director, trustee or partner or in which any Related Person has any direct or indirect interest (other than the ownership of securities representing no more than two percent (2%) of the outstanding voting power or economic interest of a publicly traded company). Except as set forth in the financial statements and related notes previously delivered to the Purchaser, no Target Company has outstanding any Contract or other arrangement or commitment with any Related Person, and no Related Person owns any real property or Personal Property, or right, tangible or intangible (including Intellectual Property) which is used in the business of any Target Company. Schedule 4.21 specifically identifies all material Contracts, arrangements or commitments subject to this Section 4.21 that cannot be terminated upon sixty (60) days' notice by the Target Companies without cost or penalty.

**4.22 Insurance.**

(a) The Company has provided to the Purchasers copies of all insurance policies held by a Target Company relating to a Target Company or its business, properties, assets, directors, officers and employees. All premiums due and payable under all such insurance policies have been timely paid and the Company and its Subsidiaries are otherwise in material compliance with the terms of such insurance policies. All such insurance policies are in full force and effect, and to the Knowledge of the Company, there is no threatened termination of, or material premium increase with respect to, any of such insurance policies. - 21 - (b) There is no individual insurance claim in excess of \$50,000 made by a Target Company since January 1, 2024. Each Target Company has reported to its insurers all claims and pending circumstances that would reasonably be expected to result in a claim that could be covered by any such insurance policies, except where such failure to report such a claim would not be reasonably likely to be material to the Target Companies. No Target Company has made any claim against an insurance policy as to which the insurer is denying coverage.

4.23 Material Customers and Suppliers. The relationships of each Target Company with its material suppliers and customers are good commercial working relationships and (i) no material supplier or customer of any Target Company within the last twelve (12) months has cancelled or otherwise terminated, or, to the Company's Knowledge, intends to cancel or otherwise terminate, any relationships of such Person with a Target Company, (ii) no material supplier or customer of any Target Company has during the last twelve (12) months decreased materially or, to the Company's Knowledge, threatened to stop, decrease or limit materially, or intends to modify materially its relationships with a Target Company or intends to stop, decrease or limit materially its products or services to any Target Company or its usage or purchase of the products or services of any Target Company, (iii) to the Company's Knowledge, no material supplier or customer of any Target Company intends to refuse to pay any amount due to any Target Company or seek to exercise any remedy against any Target Company, (iv) no Target Company has within the past two (2) years been engaged in any material dispute with any of its material supplier or customer, and (v) to the Company's Knowledge, the consummation of the transactions contemplated in this Agreement will not affect the relationship of any Target Company with any material supplier or customer of any Target Company.

4.24 Books and Records. All of the financial books and records of the Target Companies are complete and accurate in all material respects and have been maintained in the ordinary course consistent with past practice and in accordance with applicable Laws.

4.25 Accounts Receivable. All accounts, notes and other receivables, whether or not accrued, and whether or not billed, of the Target Companies (the "Accounts Receivable") arose from sales actually made or services actually performed and represent valid obligations to a Target Company. None of the Accounts Receivable are, to the Knowledge of the Company, subject to any right of recourse, defense, deduction, return of goods, counterclaim, offset, or set off on the part of the obligor in excess of any amounts reserved therefor on the Company Financials. All of the Accounts Receivable are, to the Knowledge of the Company, fully collectible according to their terms in amounts not less than the aggregate amounts thereof carried on the books of the Target Companies (net of reserves) within ninety (90) days.

4.26 Certain Business Practices. (a) No Target Company, nor any of their respective Representatives acting on their behalf, has (i) used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees, to foreign or domestic political parties or campaigns or violated any provision of the Foreign Corrupt Practices Act of 1977 or (iii) made any other unlawful payment. No Target Company, nor any of their respective Representatives acting on their behalf has directly or indirectly, given or agreed to give any gift or similar benefit in any material amount to any customer, supplier, governmental employee or other Person who is or may be in a position to help or hinder any Target Company or assist any Target Company in connection with any actual or proposed transaction. - 22 - (b) The operations of each Target Company are and have been conducted at all times in compliance with laundering statutes in all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority, and no Action involving a Target Company with respect to the any of the foregoing is pending or, to the Knowledge of the Company, threatened. (c) No Target Company or any of their respective directors or officers, or, to the Knowledge of the Company, any other Representative acting on behalf of a Target Company is currently identified on the specially designated nationals or other blocked person list or otherwise currently subject to any U.S. sanctions administered by OFAC, and no Target Company has, directly or indirectly, used any funds, or loaned, contributed or otherwise made available such funds to any Subsidiary, joint venture partner or other Person, in connection with any sales or operations in any country sanctioned by OFAC, currently including Cuba, Iran, North Korea, Syria, and the Crimea, so-called Donetsk People's Republic, and so-called Luhansk People's Republic regions of Ukraine, or for the purpose of financing the activities of any Person currently subject to, or otherwise in violation of, any U.S. sanctions administered by OFAC in the last five (5) fiscal years.

4.27 Investment Company Act. No Target Company is an "investment company" or a Person directly or indirectly "controlled" by or acting on behalf of an "investment company", in each case within the meaning of the Investment Company Act of 1940, as amended.

4.28 Finders and Investment Bankers. No Target Company has incurred or will incur any Liability for any brokerage, finder's or other fee or commission in connection with the transactions contemplated hereby.

4.29 Information Supplied. None of the information supplied or to be supplied by the Company expressly for inclusion or incorporation by reference: (a) in any Current Report on Form 6-K, and any exhibits thereto or any other report, form, registration or other filing made with any Governmental Authority with respect to the transactions contemplated by this Agreement; or (b) in the mailings or other distributions to the Purchaser's shareholders and/or prospective investors with respect to the consummation of the transactions contemplated by this Agreement or in any amendment to any of documents identified in (a) through (b), will, when filed, furnished, made available, mailed or distributed, as the case may be, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. Notwithstanding the foregoing, the Company makes no representation, warranty or covenant with respect to any information supplied by or on behalf of the Purchaser or its Affiliates. - 23 - 4.30 Disclosure. No representations or warranties by the Company in this Agreement (including the disclosure schedules hereto), (a) contains or will contain any untrue statement of a material fact, or (b) omits or will omit to state, when read in conjunction with all of the information contained in this Agreement and the disclosure schedules hereto, any fact necessary to make the statements or facts contained therein not materially misleading.

ARTICLE V  
REPRESENTATIONS AND WARRANTIES OF THE SELLER - Except as set forth in the Company Disclosure Schedules or in the schedules delivered by the Seller to the Purchaser on the date hereof (the "Seller Disclosure Schedules"), the Section numbers of which are numbered to correspond to the Section numbers of this Agreement to which they refer, the Seller hereby represents and warrants to the Purchaser as follows: 5.1 Authorization; Binding Agreement.

The Seller has all requisite power, authority and legal right and capacity to execute and deliver this Agreement, to perform the Seller's obligations hereunder and to consummate the transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by the Seller and assuming the due authorization, execution and delivery of this Agreement the other Parties hereto, constitutes the legal, valid and binding obligation of the Seller, enforceable against the Seller in accordance with its terms, subject to the Enforceability Exceptions. 5.2 Ownership. The Seller owns good, valid and marketable title to the Purchased Shares, free and clear of any and all Liens. There are no proxies, voting rights, shareholders' agreements or other agreements or understandings, to which Seller is a party or by which Seller is bound, with respect to the voting or transfer of any of Seller's Purchased Shares other than this Agreement. Upon delivery of the Purchased Shares to the Purchaser on the Closing Date in accordance with this Agreement, the entire legal and beneficial interest in the Purchased Shares and good, valid and marketable title to the Purchased Shares, free and clear of all Liens (other than those imposed by applicable securities Laws or those incurred by the Purchaser), will pass to the Purchaser. 5.3 Governmental Approvals. No Consent of or with any Governmental Authority on the part of the Seller is required to be obtained or made in connection with the execution, delivery or performance by the Seller of this Agreement or the consummation by the Seller of the transactions contemplated hereby other than such filings as expressly contemplated by this Agreement. 5.4 Non-Contravention. The execution and delivery by the Seller of this Agreement, and the consummation by Seller of the transactions contemplated hereby, and compliance by Seller with any of the provisions hereof, will not (a) subject to obtaining the Consents from Governmental Authorities referred to in Section 5.3 hereof, and any condition precedent to such Consent or waiver having been satisfied, conflict with or violate any Law, Order or Consent applicable to the Seller or any of its properties or assets or (b) (i) violate, conflict with or result in a breach of, (ii) constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, (iii) result in the termination, withdrawal, suspension, cancellation or modification of, (iv) accelerate the performance required by the Seller under, (v) result in a right of termination or acceleration under, (vi) give rise to any obligation to make payments or provide compensation under, (vii) result in the creation of any Lien upon any of the properties or assets of the Seller under, (viii) give rise to any obligation to obtain any third party consent or provide any notice to any Person or (ix) give any Person the right to declare a default, exercise any remedy, claim a rebate, chargeback, penalty or change in delivery schedule, accelerate the maturity or performance, cancel, terminate or modify any right, benefit, obligation or other term under, any of the terms, conditions or provisions of, any Contract to which the Seller is a party or the Seller or its properties or assets are otherwise bound, except for any deviations from any of the foregoing clauses (a) or (b) that has not had and would not reasonably be expected to have a Material Adverse Effect on the Seller. - 24 - 5.5 No Litigation. There is no Action pending or, to the Knowledge of the Seller, threatened, nor any Order is outstanding, against or involving the Seller or any of its officers, directors, managers, shareholders, properties, assets or businesses, whether at law or in equity, before or by any Governmental Authority, which would reasonably be expected to adversely affect the ability of the Seller to consummate the transactions contemplated by, and discharge its obligations under, this Agreement. 5.6 Investment Representations. The Seller: (a) is an "accredited investor" as such term is defined in Rule 501(a) of Regulation D under the Securities Act; (b) is acquiring its portion of the Exchange Shares for itself for investment purposes only, and not with a view towards any resale or distribution of such Exchange Shares; (c) has been advised and understands that the Exchange Shares (i) are being issued in reliance upon one or more exemptions from the registration requirements of the Securities Act and any applicable state securities Laws, and (ii) have not been and shall not be registered under the Securities Act or any applicable state securities Laws and, therefore, must be held indefinitely and cannot be resold unless such Exchange Shares are registered under the Securities Act and all applicable state securities Laws, unless exemptions from registration are available; (d) is aware that an investment in the Purchaser is a speculative investment and is subject to the risk of complete loss; and (e) acknowledges that the Purchaser is under no obligation hereunder to register the Exchange Shares under the Securities Act. The Seller does not have any Contract with any Person to sell, transfer, or grant participations to such Person, or to any third Person, with respect to the Exchange Shares. By reason of the Seller's business or financial experience, or by reason of the business or financial experience of the Seller's "purchaser representatives" (as that term is defined in Rule 501(h) under the Securities Act), the Seller is capable of evaluating the risks and merits of an investment in the Purchaser and of protecting its interests in connection with this investment. The Seller has carefully read and understands all materials provided by or on behalf of the Purchaser or its Representatives to the Seller or the Seller's Representatives pertaining to an investment in the Purchaser and has consulted, as the Seller has deemed advisable, with its own attorneys, accountants or investment advisors with respect to the investment contemplated hereby and its suitability for the Seller. The Seller acknowledges that the Exchange Shares are subject to dilution for events not under the control of the Seller. The Seller has completed its independent inquiry and has relied fully upon the advice of its own legal counsel, accountant, financial and other Representatives in determining the legal, tax, financial and other consequences of this Agreement and the transactions contemplated hereby and the suitability of this Agreement and the transactions contemplated hereby for the Seller and its particular circumstances, and, except as set forth herein, has not relied upon any representations or advice by the Purchaser or its Representatives. The Seller acknowledges and agrees that the Seller has not been guaranteed or represented to by any Person, (i) any specific amount or the event of the distribution of any cash, property or other interest in the Purchaser or (ii) the profitability or value of the Exchange Shares in any manner whatsoever. The Seller: (a) has been represented by independent counsel (or has had the opportunity to consult with independent counsel and has declined to do so); (b) has had the full right and opportunity to consult with the Seller's attorneys and other advisors and has availed itself of this right and opportunity; (c) has carefully read and fully understands this Agreement in its entirety and has had it fully explained to it or him by such counsel; (d) is fully aware of the contents hereof and the meaning, intent and legal effect thereof; and (e) is competent to execute this Agreement and has executed this Agreement free from coercion, duress or undue influence. - 25 - 5.7 Finders and Investment Bankers. Neither Seller, nor any of its respective Representatives on their behalf, has employed any broker, finder or investment banker or incurred any liability for any brokerage fees, commissions, finders' fees or similar fees in connection with the transactions contemplated by this Agreement. 5.8 Independent Investigation. The Seller has conducted its own independent investigation, review and analysis of the business, results of operations, prospects, condition (financial or otherwise) or assets of the Purchaser, and acknowledges that it has been provided adequate access to the personnel, properties, assets, premises, books and records, and other documents and data of the Purchaser for such purpose. The Seller acknowledges and agrees that: (a) in making its decision to enter into this Agreement and to consummate the transactions contemplated hereby, it has relied solely upon its own investigation and the express representations and warranties of the Purchaser set forth in

ARTICLE III (including the related portions of the Purchaser Disclosure Schedules and any Supplemental Disclosure Schedules provided by the Purchaser); and (b) neither the Purchaser nor any of their Representatives have made any representation or warranty as to the Purchaser or this Agreement, except as expressly set forth in ARTICLE III (including the related portions of the Purchaser Disclosure Schedules and Supplemental Disclosure Schedules provided by the Purchaser). 5.9 Information Supplied. None of the information supplied or to be supplied by the Seller expressly for inclusion or incorporation by reference: (a) in any Current Report on Form 6-K, and any exhibits thereto or any other report, form, registration or other filing made with any Governmental Authority with respect to the transactions contemplated by this Agreement; or (b) in the mailings or other distributions to the Purchaser's shareholders and/or prospective investors with respect to the consummation of the transactions contemplated by this Agreement or in any amendment to any of documents identified in (a) through (b), will, when filed, furnished, made available, mailed or distributed, as the case may be, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. Notwithstanding the foregoing, the Seller makes no representation, warranty or covenant with respect to any information supplied by or on behalf of the Purchaser or its Affiliates. 5.10 Disclosure. No representations or warranties by the Seller in this Agreement (including the disclosure schedules hereto), (a) contains or will contain any untrue statement of a material fact, or (b) omits or will omit to state, when read in conjunction with all of the information contained in this Agreement and the disclosure schedules hereto, any fact necessary to make the statements or facts contained therein not materially misleading. - 26 -

ARTICLE VI COVENANTS 6.1 Access and Information. (a) During the period from the date of this Agreement and continuing until the earlier of the termination of this Agreement in accordance with Section 9.1 or the Closing (the "Interim Period"), the Company shall give, and shall direct its Representatives to give, the Purchaser and its Representatives, at reasonable times during normal business hours and upon reasonable intervals and notice, access to all offices and other facilities and to all employees, properties, Contracts, agreements, commitments, books and records, financial and operating data and other information (including Tax Returns, internal working papers, client files, client Contracts and director service agreements), of or pertaining to the Target Companies, as the Purchaser or its Representatives may reasonably request regarding the Target Companies and their respective businesses, assets, Liabilities, financial condition, prospects, operations, management, employees and other aspects (including unaudited quarterly financial statements, including a consolidated quarterly balance sheet and income statement, a copy of each material report, schedule and other document filed with or received by a Governmental Authority pursuant to the requirements of applicable securities Laws, and independent public accountants' work papers (subject to the consent or any other conditions required by such accountants, if any)) and instruct each of the Company's Representatives to cooperate with the Purchaser and its Representatives in their investigation; provided, however, that the Purchaser and its Representatives shall conduct any such activities in such a manner as not to unreasonably interfere with the business or operations of the Target Companies. (b) During the Interim Period, the Purchaser shall give, and shall direct its Representatives to give, the Seller and its Representatives, at reasonable times during normal business hours and upon reasonable intervals and notice, access to all offices and other facilities and to all employees, properties, Contracts, agreements, commitments, books and records, financial and operating data and other information (including Tax Returns, internal working papers, client files, client Contracts and director service agreements), of or pertaining to the Purchaser or its Subsidiaries, as the Seller or its Representatives may reasonably request regarding the Purchaser, its Subsidiaries and their respective businesses, assets, Liabilities, financial condition, prospects, operations, management, employees and other aspects (including unaudited quarterly financial statements, including a consolidated quarterly balance sheet and income statement, a copy of each material report, schedule and other document filed with or received by a Governmental Authority pursuant to the requirements of applicable securities Laws, and independent public accountants' work papers (subject to the consent or any other conditions required by such accountants, if any)) and instruct each of the Purchaser's Representatives to cooperate with the Seller and its Representatives in their investigation; provided, however, that the Seller and its Representatives shall conduct any such activities in such a manner as not to unreasonably interfere with the business or operations of the Purchaser or any of its Subsidiaries. - 27 -

6.2 Conduct of Business of the Company. (a) Unless the Purchaser shall otherwise consent in writing (such consent not to be unreasonably withheld, conditioned or delayed), during the Interim Period, except as expressly contemplated by this Agreement, the Target Companies shall, and the Seller shall cause the Target Companies to, (i) conduct their respective businesses, in all material respects, in the ordinary course of business consistent with past practice, (ii) comply with all Laws applicable to the Target Companies and their respective businesses, assets and employees, and (iii) take all reasonable measures necessary or appropriate to preserve intact, in all material respects, their respective business organizations, to keep available the services of their respective managers, directors, officers, employees and consultants, to maintain, in all material respects, their existing relationships with all their material customers and suppliers, and to preserve the possession, control and condition of their respective material assets, all as consistent with past practice. (b) Without limiting the generality of Section 6.2(a) and except as contemplated by the terms of this Agreement, during the Interim Period, without the prior written consent of the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed), each Target Company shall not, and the Seller shall cause each Target Company not to: (i) amend, waive or otherwise change, in any respect, its Organizational Documents; (ii) authorize for issuance, issue, grant, sell, pledge, charge, dispose of or propose to issue, grant, sell, pledge, charge or dispose of any of its equity securities or any options, warrants, commitments, subscriptions or rights of any kind to acquire or sell any of its equity securities, or other securities, including any securities convertible into or exchangeable for any of its shares or other equity securities or securities of any class and any other equity-based awards, or engage in any hedging transaction with a third Person with respect to such securities; (iii) consolidate, subdivide, split, combine, cancel, recapitalize or reclassify any of its shares or other equity interests or issue any other securities in respect thereof or pay or set aside any dividend or other distribution (whether in cash, equity or property or any combination thereof) in respect of its equity interests, or directly or indirectly redeem, purchase or otherwise acquire or offer to acquire any of its securities; (iv) incur, create, assume, prepay or otherwise become liable for any Indebtedness (directly, contingently or otherwise), outside the ordinary course of business, in excess of \$100,000 (individually or in the aggregate), make a loan or advance to or investment in any third party, or guarantee or endorse any Indebtedness, Liability or obligation of any Person; (v) increase the wages, salaries or compensation of any of its executive officers, or, in the case of employees other than executive officers, increase the wages, salaries or compensation of any of such employees other than in the ordinary course of business, consistent with past practice, and in any event not in the aggregate by more than five

percent (5%), or make or commit to make any bonus payment (whether in cash, property or securities) to any employee, or materially increase other benefits of employees generally, or enter into, establish, materially amend or terminate any Company Benefit Plan with, for or in respect of any current consultant, officer, manager director or employee, in each case other than as required by applicable Law, pursuant to the terms of any Company Benefit Plans or in the ordinary course of business consistent with past practice; (v) make or rescind any material election relating to Taxes, settle any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes, file any amended Tax Return or claim for refund, or make any material change in its accounting or Tax policies or procedures, in each case except as required by applicable Law or in compliance with GAAP; (vi) transfer or license to any Person or otherwise extend, materially amend or modify, permit to lapse or fail to preserve any of the Company Registered IP, Company Licensed IP or other Company IP, or disclose to any Person who has not entered into a confidentiality agreement any Trade Secrets; (vii) terminate, or waive or assign any material right under, any Company Material Contract outside of the ordinary course of business or enter into any Contract (a) involving amounts reasonably expected to exceed \$100,000 per year or \$250,000 in the aggregate, (b) that would be a Company Material Contract or (c) with a term longer than one year that cannot be terminated without payment of a material penalty and upon notice of sixty (60) days or less; (viii) fail to maintain its books, accounts and records in all material respects in the ordinary course of business consistent with past practice; (ix) establish any Subsidiary or enter into any new line of business; (x) fail to use commercially reasonable efforts to keep in force insurance policies or replacement or revised policies providing insurance coverage with respect to its assets, operations and activities in such amount and scope of coverage as are currently in effect; (xi) revalue any of its material assets or make any change in accounting methods, principles or practices, except to the extent required to comply with GAAP and after consulting with the Company's outside auditors; (xii) waive, release, assign, settle or compromise any claim, action or proceeding (including any suit, action, claim, proceeding or investigation relating to this Agreement or the transactions contemplated hereby), other than waivers, releases, assignments, settlements or compromises that involve only the payment of monetary damages (and not the imposition of equitable relief on, or the admission of wrongdoing by, the Company or its Affiliates) not in excess of \$100,000 (individually or in the aggregate), or otherwise pay, discharge or satisfy any Actions, Liabilities or obligations, unless such amount has been reserved in the Company Financials; (xiii) close or materially reduce its activities, or effect any layoff or other personnel reduction or change, at any of its facilities; (xiv) acquire, including by merger, consolidation, acquisition of stock or assets, or any other form of business combination, any corporation, partnership, limited liability company, other business organization or any division thereof, or any material amount of assets outside the ordinary course of business consistent with past practice; (xv) make capital expenditures in excess of \$100,000 (individually for any project (or set of related projects) or \$250,000 in the aggregate); (xvi) adopt a plan of complete or partial liquidation, winding-up, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization; (xvii) voluntarily incur any Liability or obligation (whether absolute, accrued, contingent or otherwise) in excess of \$100,000 individually or \$250,000 in the aggregate other than pursuant to the terms of a Company Material Contract or Company Benefit Plan; (xviii) sell, lease, license, transfer, exchange or swap, mortgage or otherwise pledge or encumber (including securitizations), or otherwise dispose of any material portion of its properties, assets or rights; (xix) enter into any agreement, understanding or arrangement with respect to the voting of equity securities of the Company; (xx) take any action that would reasonably be expected to significantly delay or impair the obtaining of any consents or approvals of any Governmental Authority to be obtained in connection with this Agreement; (xxi) enter into, amend, waive or terminate (other than terminations in accordance with their terms) any transaction with any Related Person (other than compensation and benefits and advancement of expenses, in each case, provided in the ordinary course of business consistent with past practice); (xxii) make any payments or transfer any assets to any affiliates; or (xxiii) authorize or agree to do any of the foregoing actions.

### 6.3 Conduct of Business of the Purchaser.

(a) Except as contemplated by the terms of this Agreement and the Divestiture Agreement (including all of the transactions contemplated by the proxy statement to be filed by the Purchaser in connection with the Transactions), during the Interim Period, without the prior written consent of the Seller (such consent not to be unreasonably withheld, conditioned or delayed), the Purchaser shall not: (i) amend, waive or otherwise change, in any respect, its Organizational Documents; (ii) except as contemplated herein, authorize for issuance, issue, grant, sell, pledge, charge, dispose of or propose to issue, grant, sell, pledge, charge or dispose of any of its equity securities or any options, warrants, commitments, subscriptions or rights of any kind to acquire or sell any of its equity securities, or other securities, including any securities convertible into or exchangeable for any of its equity securities or other security interests of any class and any other equity-based awards, or engage in any hedging transaction with a third Person with respect to such securities; (iii) consolidate, subdivide, split, combine, recapitalize or reclassify any of its shares or other equity interests or issue any other securities in respect thereof or pay or set aside any dividend or other distribution (whether in cash, equity or property or any combination thereof) in respect of its shares or other equity interests, or directly or indirectly redeem, purchase or otherwise acquire or offer to acquire any of its securities; (iv) incur, create, assume, prepay or otherwise become liable for any Indebtedness (directly, contingently or otherwise) in excess of \$100,000 (individually or in the aggregate), make a loan or advance to or investment in any third party, or guarantee or endorse any Indebtedness, Liability or obligation of any Person; (v) make or rescind any material election relating to Taxes, settle any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes, file any amended Tax Return or claim for refund, or make any material change in its accounting or Tax policies or procedures, in each case except as required by applicable Law or in compliance with GAAP; (vi) terminate, waive or assign any material right under any material agreement to which it is a party; (vii) fail to maintain its books, accounts and records in all material respects in the ordinary course of business consistent with past practice; (viii) establish any Subsidiary or enter into any new line of business; (ix) fail to use commercially reasonable efforts to keep in force insurance policies or replacement or revised policies providing insurance coverage with respect to its assets, operations and activities in such amount and scope of coverage as are currently in effect; (x) revalue any of its material assets or make any change in accounting methods, principles or practices, except to the extent required to comply with GAAP and after consulting the Purchaser's outside auditors; (xi) waive, release, assign, settle or compromise any claim, action or proceeding (including any suit, action, claim, proceeding or investigation relating to this Agreement or the transactions contemplated hereby), other than waivers, releases, assignments, settlements or compromises that involve only the payment of monetary damages (and not the imposition of equitable relief on, or the admission of wrongdoing by, the Purchaser) not in excess of \$100,000 (individually or in the aggregate), or otherwise pay, discharge or satisfy any Actions, Liabilities or obligations, unless

such amount has been reserved in the Purchaser Financials; (xii) acquire, including by merger, consolidation, acquisition of stock or assets, or any other form of business combination, any corporation, partnership, limited liability company, other business organization or any division thereof, or any material amount of assets outside the ordinary course of business; (xiii) make capital expenditures in excess of \$100,000 individually for any project (or set of related projects) or \$250,000 in the aggregate; (xiv) adopt a plan of complete or partial liquidation, winding-up, dissolution, merger, consolidation, restructuring, recapitalization or other reorganization; (xv) voluntarily incur any Liability or obligation (whether absolute, accrued, contingent or otherwise) in excess of \$100,000 individually or \$250,000 in the aggregate other than pursuant to the terms of a material Contract in existence as of the date of this Agreement or entered into in the ordinary course of business or in accordance with the terms of this Section 6.3 during the Interim Period; (xvi) sell, lease, license, transfer, exchange or swap, mortgage or otherwise pledge or encumber (including securitizations), or otherwise dispose of any material portion of its properties, assets or rights; (xvii) enter into any agreement, understanding or arrangement with respect to the voting of the Purchaser Shares; (xviii) take any action that would reasonably be expected to significantly delay or impair the obtaining of any consents or approvals of any Governmental Authority to be obtained in connection with this Agreement; or (xix) authorize or agree to do any of the foregoing actions.

**6.4 Purchaser Public Filings.** During the Interim Period, the Purchaser will keep current and timely file all of its public filings with the SEC and otherwise comply in all material respects with applicable securities Laws and shall use its commercially reasonable efforts to maintain the listing of the Purchaser Shares on Nasdaq.

**6.5 No Solicitation.** (a) For purposes of this Agreement, (i) an "Acquisition Proposal" means any inquiry, proposal or offer, or any indication of interest in making an offer or proposal, from any Person or group at any time relating to an Alternative Transaction, and (ii) an "Alternative Transaction" means with respect to (A) the Company, the Seller and their respective Affiliates and (B) the Purchaser and its Affiliates, a transaction (other than the transactions contemplated by this Agreement or the Divestiture Agreement) concerning the sale of (x) all or any material part of the business or assets of any Target Company or the Purchaser or (y) any of the shares or other equity interests or profits of any Target Company or the Purchaser, in any case, whether such transaction takes the form of a sale of shares or other equity, assets, merger, consolidation, issuance of debt securities, management Contract, joint venture or partnership, or otherwise.

(b) During the Interim Period, in order to induce the other Parties to continue to commit to expend management time and financial resources in furtherance of the transactions contemplated hereby, each Party shall not, and shall cause its Representatives to not, without the prior written consent of the Seller and the Purchaser, directly or indirectly, (i) solicit, assist, initiate or facilitate the making, submission or announcement of, or intentionally encourage, any Acquisition Proposal, (ii) furnish any non-public information regarding such Party or its Affiliates (or, with respect to Seller, any Target Company) or their respective businesses, operations, assets, Liabilities, financial condition, prospects or employees to any Person or group (other than a Party to this Agreement or their respective Representatives) in connection with or in response to an Acquisition Proposal, (iii) engage or participate in discussions or negotiations with any Person or group with respect to, or that could be expected to lead to, an Acquisition Proposal, (iv) approve, endorse or recommend, or publicly propose to approve, endorse or recommend, any Acquisition Proposal, (v) negotiate or enter into any letter of intent, agreement in principle, acquisition agreement or other similar agreement related to any Acquisition Proposal, or (vi) release any third Person from, or waive any provision of, any confidentiality agreement to which such Party is a party.

(c) Each Party shall notify the others as promptly as practicable (and in any event within 48 hours) orally and in writing of the receipt by such Party or any of its Representatives of (i) any bona fide inquiries, proposals or offers, requests for information or requests for discussions or negotiations regarding or constituting any Acquisition Proposal or any bona fide inquiries, proposals or offers, requests for information or requests for discussions or negotiations that could be expected to result in an Acquisition Proposal, and (ii) any request for non-public information relating to such Party or its Affiliates (or any Target Company), specifying in each case, the material terms and conditions thereof (including a copy thereof if in writing or a written summary thereof if oral) and the identity of the party making such inquiry, proposal, offer or request for information. Each Party shall keep the others promptly informed of the status of any such inquiries, proposals, offers or requests for information. During the Interim Period, each Party shall, and shall cause its Representatives to, immediately cease and cause to be terminated any solicitations, discussions or negotiations with any Person with respect to any Acquisition Proposal and shall, and shall direct its Representatives to, cease and terminate any such solicitations, discussions or negotiations.

**6.6 No Trading.** The Seller and each of the Target Companies acknowledge and agree that each is aware, and that each Target Company's respective Affiliates are aware (and each of their respective Representatives is aware or, upon receipt of any material nonpublic information of the Purchaser, will be advised) of the restrictions imposed by the applicable securities Laws and other applicable foreign and domestic Laws on a Person possessing material nonpublic information about a publicly traded company. The Seller and each of the Target Companies hereby agree that, while any of them are in possession of such material nonpublic information, it shall not purchase or sell any securities of the Purchaser (other than acquire the Exchange Shares in accordance with ARTICLE I), communicate such information to any third party, take any other action with respect to the Purchaser in violation of such Laws, or cause or encourage any third party to do any of the foregoing.

**6.7 Notification of Certain Matters.** During the Interim Period, the Purchaser, on the one hand, and the Seller and the Company, on the other hand, shall give prompt notice to the other Parties if any such Party or their respective Affiliates: (a) fails to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it or its Affiliates (or, with respect to the Company, the Seller) hereunder in any material respect; (b) receives any notice or other communication in writing from any third party (including any Governmental Authority) alleging (i) that the Consent of such third party is or may be required in connection with the transactions contemplated by this Agreement or (ii) any non-compliance with any Law by such Party or its Affiliates; (c) receives any notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; (d) discovers any fact or circumstance that, or becomes aware of the occurrence or non-occurrence of any event the occurrence or non-occurrence of which, would reasonably be expected to cause or result in any of the conditions set forth in ARTICLE VIII to not being satisfied or the satisfaction of those conditions being materially delayed; or (e) becomes aware of the commencement or threat, in writing, of any Action against such Party or any of its Affiliates, or any of their respective properties or assets, or, to the Knowledge of such Party, any officer, director, partner, member or manager, in his, her or its capacity as such, of such Party or of its Affiliates with respect to the consummation of the transactions contemplated by this Agreement. No such notice shall constitute an acknowledgement or admission by the Party providing the notice regarding whether or not any of the conditions to the Closing have been satisfied or in determining whether or not any of the representations, warranties or covenants

contained in this Agreement have been breached. 6.8 Efforts. (a) Subject to the terms and conditions of this Agreement, each Party shall use its commercially reasonable efforts, and shall cooperate fully with the other Parties, to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under applicable Laws and regulations to consummate the transactions contemplated by this Agreement (including the receipt of all applicable consents of Governmental Authorities) and to comply as promptly as practicable with all requirements of Governmental Authorities applicable to the transactions contemplated by this Agreement. (b) Prior to the Closing, each Party shall use its commercially reasonable efforts to obtain any Consents of Governmental Authorities or other third Persons as may be necessary for the consummation by such Party or its Affiliates of the transactions contemplated by this Agreement or required as a result of the execution or performance of, or consummation of the transactions contemplated by, this Agreement by such Party or its Affiliates, and the other Parties shall provide reasonable cooperation in connection with such efforts. (c) Notwithstanding anything herein to the contrary, no Party shall be required to agree to any term, condition or modification with respect to obtaining any Consents in connection with the transactions contemplated by this Agreement that would result in, or would be reasonably likely to result in: (i) a Material Adverse Effect on such Party or its Affiliates, or (ii) such Party having to cease, sell or otherwise dispose of any material assets or businesses (including the requirement that any such assets or business be held separate).

6.9 Further Assurances. The Parties hereto shall further cooperate with each other and use their respective commercially reasonable efforts to take or cause to be taken all actions, and do or cause to be done all things, necessary, proper or advisable on their part under this Agreement and applicable Laws to consummate the transactions contemplated by this Agreement as soon as practicable, including preparing and filing as soon as practicable all documentation to effect all necessary notices, reports and other filings.

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6.10 Public Announcements. The Parties agree that no public release, filing or announcement concerning this Agreement or the transactions contemplated hereby shall be issued by any Party or any of their Affiliates without the prior written consent of the Purchaser and the Seller (which consent shall not be unreasonably withheld, conditioned or delayed), except as such release or announcement may be required by applicable Law or the rules or regulations of any securities exchange, in which case the applicable Party shall use commercially reasonable efforts to allow the other Parties reasonable time to comment on, and arrange for any required filing with respect to, such release or announcement in advance of such issuance.

6.11 Confidential Information. (a) The Company (prior to the Closing) and the Seller hereby agree that they shall, and shall cause their respective Representatives to: (i) treat and hold in strict confidence any Purchaser Confidential Information, and will not use it for any purpose (except in connection with the consummation of the transactions contemplated by this Agreement, performing their obligations hereunder, enforcing their rights hereunder, or in furtherance of their authorized duties on behalf of the Purchaser or its Subsidiaries), nor directly or indirectly disclose, distribute, publish, disseminate or otherwise make available to any third party any of the Purchaser Confidential Information without the Purchaser's prior written consent; and (ii) in the event that the Company (prior to the Closing), Seller or any of the respective Representatives becomes legally compelled to disclose any Purchaser Confidential Information, (A) provide the Purchaser with prompt written notice of such requirement so that the Purchaser or an Affiliate thereof may seek a protective order or other remedy or waive compliance with this Section 6.11(a), and (B) in the event that such protective order or other remedy is not obtained, or the Purchaser waives compliance with this Section 6.11(a), furnish only that portion of such Purchaser Confidential Information which is legally required to be provided as advised in writing by outside counsel and to exercise its commercially reasonable efforts to obtain assurances that confidential treatment will be accorded such Purchaser Confidential Information. In the event that this Agreement is terminated and the transactions contemplated hereby are not consummated, the Company and the Seller shall, and shall cause their respective Representatives to, promptly deliver to the Purchaser any and all copies (in whatever form or medium) of Purchaser Confidential Information and destroy all notes, memoranda, summaries, analyses, compilations and other writings related thereto or based thereon. (b) The Purchaser hereby agrees that during the Interim Period and, in the event this Agreement is terminated in accordance with ARTICLE IX, for a period of two (2) years after such termination, it shall, and shall cause its Representatives to: (i) treat and hold in strict confidence any Company Confidential Information, and will not use for any purpose (except in connection with the consummation of the transactions contemplated by this Agreement, performing its obligations hereunder or enforcing its rights hereunder), nor directly or indirectly disclose, distribute, publish, disseminate or otherwise make available to any third party any of the Company Confidential Information without the Company's prior written consent; and (ii) in the event that the Purchaser or any of its Representatives becomes legally compelled to disclose any Company Confidential Information, (A) provide the Seller with prompt written notice of such requirement so that the Company, the Seller or an Affiliate of any of them may seek a protective order or other remedy or waive compliance with this Section 6.11(b), and (B) in the event that such protective order or other remedy is not obtained, or the Seller waives compliance with this Section 6.11(b), furnish only that portion of such Company Confidential Information which is legally required to be provided as advised in writing by outside counsel and to exercise its commercially reasonable efforts to obtain assurances that confidential treatment will be accorded such Company Confidential Information. In the event that this Agreement is terminated and the transactions contemplated hereby are not consummated, the Purchaser shall, and shall cause its Representatives to, promptly deliver to the Company any and all copies (in whatever form or medium) of Company Confidential Information and destroy all notes, memoranda, summaries, analyses, compilations and other writings related thereto or based thereon. Notwithstanding the foregoing, the Purchaser and its Representatives shall be permitted to disclose any and all Company Confidential Information to the extent required by the federal securities Laws.

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6.12 Litigation Support. Following the Closing, in the event that and for so long as any Party is actively contesting or defending against any third party or Governmental Authority Action in connection with any fact, situation, circumstance, status, condition, activity, practice, plan, occurrence, event, incident, action, failure to act or transaction that existing on or prior to the Closing Date involving the Purchaser or any Target Company, each of the other Parties will (i) reasonably cooperate with the contesting or defending party and its counsel in the contest or defense, (ii) make available its personnel at reasonable times and upon reasonable notice and (iii) provide (A) such testimony and (B) access to its non-privileged books and records as may be reasonably requested in connection with the contest or defense, at the sole cost and expense of the contesting or defending party.

6.13 Documents and Information. After the Closing Date, the Purchaser and the Target Companies shall, and shall cause their respective Subsidiaries to, until the seventh (7th) anniversary of the Closing Date, retain all books, records and other documents pertaining to the business of the Target Companies in existence on the Closing Date.

6.14 Supplemental Disclosure Schedules. (a) During the Interim Period, each of the Company, the Seller and the Purchaser shall have the right, by providing one or more written supplemental disclosure schedules ("Supplemental Disclosure Schedules") to the

others, to update its disclosure schedules: (a) to reflect changes in the ordinary course of business first existing or occurring after the date of this Agreement, which if existing or occurring on or prior to the date of this Agreement, would have been required to be set forth on such schedules, and (b) which updates do not result from any breach of a covenant made by such disclosing Party or its Affiliates in this Agreement. Other than any updates permitted by the prior sentence, no Supplemental Disclosure Schedule shall affect any of the conditions to the Parties' respective obligations under the Agreement (including for purposes of determining satisfaction or waiver of the conditions set forth in ARTICLE VIII), or any other remedy available to the Parties arising from a representation or warranty that was or would be inaccurate, or a warranty that would be breached, without qualification by the update. (b) For the purposes of the Company Disclosure Schedules, the Seller Disclosure Schedules, and/or the Purchaser Disclosure Schedules, any information, item or other disclosure set forth in any part of such disclosure schedules (or, to the extent applicable, any Supplemental Disclosure Schedule) shall be deemed to have been set forth in all other applicable parts of such disclosure schedules (or, to the extent applicable, Supplemental Disclosure Schedules) to the extent that the applicability of such disclosure to such other parts is reasonably apparent on the face of such disclosure. Inclusion of information in any disclosure schedule or Supplemental Disclosure Schedule shall not be construed as an admission by such party that such information is material to the business, properties, financial condition or results of operations of, as applicable, the Company, the Seller or the Purchaser or their respective Affiliates. Matters reflected in any disclosure schedule or Supplemental Disclosure Schedule is not necessarily limited to matters required by this Agreement to be reflected therein and the inclusion of such matters shall not be deemed an admission that such matters were required to be reflected in such disclosure schedule or Supplemental Disclosure Schedule. Such additional matters are set forth for informational purposes only and do not necessarily include other matters of a similar nature.

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6.15 Director Appointment. Subject to the consummation of the Transactions, the Purchaser shall take all necessary action to cause Lingtao Kong to be nominated and elected as a director on the Purchaser Board effective as of the Closing.

6.16 Name Change. Subject to the consummation of the Transactions, the Purchaser shall take all necessary action to cause the name of the Purchaser to be changed into "Ridgetech, Inc." effective as of the Closing.

ARTICLE VII SURVIVAL

7.1 Survival. (a) All representations and warranties of the Company and the Seller contained in this Agreement (including all schedules and exhibits hereto and all certificates, documents, instruments and undertakings furnished pursuant to this Agreement) shall survive the Closing through and until the second (2nd) anniversary of the Closing Date; provided, however, that (a) the representations and warranties contained in Sections 4.14 (Taxes and Returns), 4.19 (Benefit Plans), 4.20 (Environmental Matters), 4.29 (Information Supplied) and 5.9 (Information Supplied) shall survive until sixty (60) days after the expiration of the applicable statute of limitations, and (b) the representations and warranties contained in Sections 4.1 (Due Organization and Good Standing), 4.2 (Authorization; Binding Agreement), 4.3 (Capitalization), 4.4 (Subsidiaries), 4.27 (Finders and Investment Bankers), 5.1 (Authorization; Binding Agreement), 5.2 (Ownership), 5.7 (Finders and Investment Bankers) and 5.8 (Independent Investigation) will survive indefinitely. Additionally, Fraud Claims against the Seller shall survive indefinitely. If written notice of a claim for breach of any representation or warranty has been given before the applicable date when such representation or warranty no longer survives in accordance with this Section 7.1(a), then the relevant representations and warranties shall survive as to such claim, until the claim has been finally resolved. All covenants, obligations and agreements of the Company and the Seller contained in this Agreement (including all schedules and exhibits hereto and all certificates, documents, instruments and undertakings furnished pursuant to this Agreement) shall survive the Closing and continue until fully performed in accordance with their terms. (b) The representations and warranties of the Purchaser contained in this Agreement or in any certificate or instrument delivered pursuant to this Agreement shall not survive the Closing, and from and after the Closing, the Purchaser and its Representatives shall not have any further obligations, nor shall any claim be asserted or action be brought against the Purchaser or its Representatives with respect thereto. The covenants and agreements made by the Purchaser in this Agreement or in any certificate or instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such covenants or agreements, shall not survive the Closing, except for those covenants and agreements contained herein and therein that by their terms apply or are to be performed in whole or in part after the Closing.

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7.2 Indemnification by the Seller. Subject to the terms and conditions of this ARTICLE VII, from and after the Closing, the Seller and its respective successors and assigns (the "Indemnifying Parties") will jointly and severally indemnify, defend and hold harmless the Purchaser and its Affiliates and their respective officers, directors, managers, employees, successors and permitted assigns (the "Indemnified Parties") from and against any and all losses, Actions, Orders, Liabilities, damages (including consequential damages), diminution in value, Taxes, interest, penalties, Liens, amounts paid in settlement, costs and expenses (including reasonable expenses of investigation and court costs and reasonable attorneys' fees and expenses), (any of the foregoing, a "Loss") paid, suffered or incurred by, or imposed upon, any Indemnified Party to the extent arising in whole or in part out of or resulting directly or indirectly from (whether or not involving a Third Party Claim): (i) the breach of any representation or warranty made by the Seller set forth in ARTICLE IV or ARTICLE V this Agreement or in any certificate delivered by the Company or Seller pursuant to this Agreement; (ii) the breach of any covenant or agreement on the part of Seller or the Company set forth in this Agreement or in any certificate delivered by the Company or Seller pursuant to this Agreement; (iii) any Action by Person(s) who were holders of equity securities of a Target Company, including options, warrants, convertible debt or other convertible securities or other rights to acquire equity securities of a Target Company, prior to the Closing arising out of the sale, purchase, termination, cancellation, expiration, redemption or conversion of any such securities; or (iv) any Fraud Claims.

7.3 General Indemnification Provisions. (a) Solely for purposes of determining the amount of Losses under this Section 7.3 (and, for the avoidance of doubt, not for purposes of determining whether there has been a breach giving rise to the indemnification claim), all of the representations, warranties and covenants set forth in this Agreement (including the disclosure schedules hereto) that are qualified by materiality, Material Adverse Effect or words of similar import or effect will be deemed to have been made without any such qualification. (b) No investigation or knowledge by an Indemnified Party or its Representatives of a breach of a representation, warranty, covenant or agreement of an Indemnifying Party shall affect the representations, warranties, covenants and agreements of the Indemnifying Party or the recourse available to the Indemnified Parties under any provision of this Agreement, including this Section 7.3, with respect thereto. (c) The amount of any Losses suffered or incurred by any Indemnified Party shall be reduced by the amount of any insurance proceeds actually paid to the Indemnified Party or any Affiliate thereof as a reimbursement with respect to such Losses (and no right of subrogation shall accrue to any insurer hereunder, except to the extent that such waiver of subrogation would prejudice any applicable insurance coverage), net of the costs of collection and the increases in insurance premiums resulting from

such Loss or insurance payment. - 38 - 7.4 Indemnification Procedures. (a) The Purchaser shall have the sole right to act on behalf of the Indemnified Parties with respect to any indemnification claims made pursuant to this ARTICLE VII, including bringing and settling any claims hereunder and receiving any notices on behalf of the Indemnified Parties. The Seller shall have the sole right to act on behalf of the Indemnifying Parties with respect to any indemnification claims made pursuant to this ARTICLE VII, including defending and settling any claims hereunder and receiving any notices on behalf of the Indemnifying Parties. (b) In order to make a claim for indemnification hereunder, the Purchaser on behalf of an Indemnified Party must provide written notice (a "Claim Notice") of such claim to the Seller on behalf of the Indemnifying Parties, which Claim Notice shall include (i) a reasonable description of the facts and circumstances which relate to the subject matter of such indemnification claim to the extent then known and (ii) the amount of Losses suffered by the Indemnified Party in connection with the claim to the extent known or reasonably estimable (provided, that the Purchaser may thereafter in good faith adjust the amount of Losses with respect to the claim by providing a revised Claim Notice to the Seller). (c) In the case of any claim for indemnification under this ARTICLE VII arising from a claim of a third party (including any Governmental Authority) (a "Third Party Claim"), the Purchaser must give a Claim Notice with respect to such Third Party Claim to the Seller promptly (but in no event later than thirty (30) days) after the Indemnified Party's receipt of notice of such Third Party Claim; provided, that the failure to give such notice will not relieve the Indemnifying Party of its indemnification obligations except to the extent that the defense of such Third Party Claim is materially and irrevocably prejudiced by the failure to give such notice. The Seller will have the right to defend and to direct the defense against any such Third Party Claim, at its expense and with counsel selected by the Seller, unless (i) the Seller fails to acknowledge fully to the Purchaser the obligations of the Indemnifying Party to the Indemnified Party within twenty (20) days after receiving notice of such Third Party Claim or contests, in whole or in part, its indemnification obligations therefor or (ii) at any time while such Third Party Claim is pending, (a) there is a conflict of interest between the Seller on behalf of the Indemnifying Party and the Purchaser on behalf of the Indemnified Party in the conduct of such defense, (b) the applicable third party alleges a Fraud Claim or (c) such claim is criminal in nature, could reasonably be expected to lead to criminal proceedings, or seeks an injunction or other equitable relief against the Indemnified Party. If the Seller on behalf of the Indemnifying Party elects, and is entitled, to compromise or defend such Third Party Claim, it will within twenty (20) days (or sooner, if the nature of the Third Party Claim so requires) notify the Purchaser of its intent to do so, and the Purchaser and the Indemnified Party will, at the request and expense of the Seller, cooperate in the defense of such Third Party Claim. If the Seller on behalf of the Indemnifying Party elects not to, or at any time is not entitled under this Section 7.4 to, compromise or defend such Third Party Claim, fails to notify the Purchaser of its election as herein provided or refuses to acknowledge or contests its obligation to indemnify under this Agreement, the Purchaser on behalf of the Indemnified Party may pay, compromise or defend such Third Party Claim. Notwithstanding anything to the contrary contained herein, the Indemnifying Party will have no indemnification obligations with respect to any such Third Party Claim which is settled by the Indemnified Party or the Purchaser without the prior written consent of the Seller on behalf of the Indemnifying Party (which consent will not be unreasonably withheld, delayed or conditioned); provided, however, that notwithstanding the foregoing, the Indemnified Party will not be required to refrain from paying any Third Party Claim which has matured by a final, non-appealable Order, nor will it be required to refrain from paying any Third Party Claim where the delay in paying such claim would result in the foreclosure of a Lien upon any of the property or assets then held by the Indemnified Party or where any delay in payment would cause the Indemnified Party material economic loss. The Seller's right on behalf of the Indemnifying Party to direct the defense will include the right to compromise or enter into an agreement settling any Third Party Claim; provided, that no such compromise or settlement will obligate the Indemnified Party to agree to any settlement that requires the taking or restriction of any action (including the payment of money and competition restrictions) by the Indemnified Party other than the execution of a release for such Third Party Claim and/or agreeing to be subject to customary confidentiality obligations in connection therewith, except with the prior written consent of the Purchaser on behalf of the Indemnified Party (such consent to be withheld, conditioned or delayed only for a good faith reason). Notwithstanding the Seller's right on behalf of the Indemnifying Party to compromise or settle in accordance with the immediately preceding sentence, the Seller on behalf of the Indemnifying Party may not settle or compromise any Third Party Claim over the objection of the Purchaser on behalf of the Indemnified Party; provided, however, that consent by the Purchaser on behalf of the Indemnified Party to settlement or compromise will not be unreasonably withheld, delayed or conditioned. The Purchaser on behalf of the Indemnified Party will have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Seller's right on behalf of the Indemnifying Party to direct the defense. - 39 - (d) With respect to any direct indemnification claim that is not a Third Party Claim, the Seller on behalf of the Indemnifying Party will have a period of thirty (30) days after receipt of the Claim Notice to respond thereto. If the Seller on behalf of the Indemnifying Party does not respond within such thirty (30) days, the Seller on behalf of the Indemnifying Party will be deemed to have accepted responsibility for the Losses set forth in such Claim Notice subject to the limitations on indemnification set forth in this ARTICLE VII and will have no further right to contest the validity of such Claim Notice. If the Seller on behalf of the Indemnifying Party responds within such thirty (30) days after the receipt of the Claim Notice and rejects such claim in whole or in part, the Purchaser on behalf of the Indemnified Party will be free to pursue such remedies as may be available under this Agreement (subject to Section 11.4) or applicable Law. ARTICLE VIII CLOSING CONDITIONS 8.1 Conditions to Each Party's Obligations. The obligations of each Party to consummate the transactions described herein shall be subject to the satisfaction or written waiver (where permissible) by the Company, the Seller and the Purchaser of the following conditions: (a) Shareholder Approval. The Shareholder Approval shall have been obtained in accordance with the CICA and the Purchaser's Organizational Documents. (b) Nasdaq Clearance. (i) the Purchaser's initial listing application with Nasdaq in connection with the Transactions shall have been approved and the Purchaser shall not have received any notice of non-compliance therewith that has not been cured or would not be cured at or immediately following the Closing, or Nasdaq determines that no such initial listing application is required in connection with the Transactions, and (ii) the Purchaser shall remain listed on Nasdaq as a public company as of or immediately following the Closing and all Purchaser Shares to be issued pursuant to the Transactions shall be approved for listing on Nasdaq, subject only to official notice of issuance thereof. (c) Consummation of Divestiture Transaction. (i) All conditions precedent to the closing of the transactions contemplated by the Divestiture Agreement set forth in the Divestiture Agreement shall have been satisfied (as determined by the parties to the Divestiture Agreement) or waived (other than those conditions which, by their nature, are to be satisfied at the Closing pursuant to the Divestiture Agreement) and (ii) the closing of the transactions contemplated by the

Divestiture Agreement be scheduled to occur substantially concurrently with the closing of the transactions contemplated by this Agreement. - 40 - (d) Requisite Regulatory Approvals. All Consents of any Governmental Authority under applicable Laws shall have been filed, have occurred or been obtained (all such Consents being referred to as the "Requisite Regulatory Approvals") and all such Requisite Regulatory Approvals shall be in full force and effect. (e) No Law or Order. No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Law (whether temporary, preliminary or permanent) or Order that is then in effect and which has the effect of making the transactions or agreements contemplated by this Agreement illegal or which otherwise prevents or prohibits consummation of the transactions contemplated by this Agreement.

8.2 Conditions to Obligations of the Company and the Seller. In addition to the conditions specified in Section 8.1, the obligations of the Company and the Seller to consummate the transactions contemplated by this Agreement are subject to the satisfaction or written waiver by the Company and the Seller of the following conditions:

(a) Representations and Warranties. All of the representations and warranties of the Purchaser set forth in ARTICLE III of this Agreement and in any certificate delivered by the Purchaser pursuant hereto shall be true and correct on and as of the date of this Agreement and on and as of the Closing Date as if made on the Closing Date, except for (i) those representations and warranties that address matters only as of a particular date (which representations and warranties shall have been accurate as of such date), or (ii) any failures to be true and correct that do not materially and adversely affect the Purchaser's ability to consummate the transactions contemplated hereby.

(b) Agreements and Covenants. The Purchaser shall have performed in all material respects all of the Purchaser's obligations and complied in all material respects with all of the Purchaser's agreements and covenants under this Agreement to be performed or complied with by the Purchaser on or prior to the Closing Date.

(c) No Material Adverse Effect. No Material Adverse Effect shall have occurred with respect to the Purchaser since the date of this Agreement.

- 41 - (d) Officer Certificate. The Purchaser shall have delivered to the Company a certificate, dated the Closing Date, signed by an executive officer of the Purchaser in such capacity, certifying as to the satisfaction of the conditions specified in Sections 8.2(a), 8.2(b) and 8.2(c).

8.3 Conditions to Obligations of the Purchaser. In addition to the conditions specified in Section 8.1, the obligations of the Purchaser to consummate the transactions contemplated by this Agreement are subject to the satisfaction or written waiver by the Purchaser of the following conditions:

(a) Representations and Warranties. All of the representations and warranties of the Company and the Seller set forth in ARTICLE IV and ARTICLE V of this Agreement and in any certificate delivered by the Company or Seller pursuant hereto shall be true and correct on and as of the date of this Agreement and on and as of the Closing Date as if made on the Closing Date, except for (i) those representations and warranties that address matters only as of a particular date (which representations and warranties shall have been accurate as of such date), or (ii) any failures to be true and correct that (without giving effect to any qualifications or limitations as to materiality or Material Adverse Effect), individually or in the aggregate, have not had and would not reasonably be expected to have a Material Adverse Effect on, or with respect to, any Target Company or adversely affects the Company's or Seller's ability to consummate the transactions contemplated hereby.

(b) Agreements and Covenants. The Company and Seller shall have performed in all material respects all of such Party's obligations and complied in all material respects with all of such Party's agreements and covenants under this Agreement to be performed or complied with by it on or prior to the Closing Date.

(c) No Material Adverse Effect. No Material Adverse Effect shall have occurred with respect to any Target Company since the date of this Agreement.

(d) Company Officer Certificate. The Purchaser shall have received a certificate from the Company, dated as the Closing Date, signed by an executive officer of the Company in such capacity, certifying as to the satisfaction of the conditions specified in Sections 8.3(a), 8.3(b) and 8.3(c).

(e) Seller Certificate. The Purchaser shall have received a certificate from Seller, dated as of the Closing Date, signed by Seller, certifying as to the satisfaction of the conditions specified in Sections 8.3(a) and 8.3(b) with respect to Seller.

(f) Share Certificates and Transfer Instruments. The Purchaser shall have received from Seller (i) a copy of the updated register of members of the Company evidencing that the Purchaser is the sole holder of all of the issued and outstanding Company Ordinary Shares, and (ii) share certificates, if any, representing the Purchased Shares (or duly executed affidavits of lost stock certificates and indemnities in forms and substance reasonably acceptable to the Purchaser), together with executed instruments of transfer in respect of the Purchased Shares in favor of the Purchaser (or its nominee) and such other documents as may be required, and in form reasonably acceptable, for transfer of the Purchased Shares on the books of the Company.

- 42 - (g) Board Resolutions. The Purchaser shall have received duly executed written resolutions of the board of directors of the Company (or an authorized committee thereof), in the agreed form, (A) authorizing the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby, and (B) approving the appointment of such persons as directors and/or officers of the Company as the Purchaser may request prior to Closing.

8.4 Frustration of Conditions. Notwithstanding anything contained herein to the contrary, no Party may rely on the failure of any condition set forth in this ARTICLE VIII to be satisfied if such failure was caused by the failure of such Party or its Affiliates (or with respect to the Company, the Seller) to comply with or perform any of its covenants or obligations set forth in this Agreement.

ARTICLE IX TERMINATION AND EXPENSES

9.1 Termination. This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing as follows:

(a) by mutual written consent of the Purchaser and the Seller;

(b) by written notice by the Purchaser or the Seller if any of the conditions to the Closing set forth in ARTICLE VIII have not been satisfied or waived by the six (6) month anniversary of the date of this Agreement (the "Outside Date"); provided, however, the right to terminate this Agreement under this Section 9.1(b) shall not be available to a Party if the breach or violation by such Party or its Affiliates of any representation, warranty, covenant or obligation under this Agreement was the cause of, or resulted in, the failure of the Closing to occur on or before the Outside Date;

(c) by written notice by either the Purchaser or the Seller if a Governmental Authority of competent jurisdiction shall have issued an Order or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such Order or other action has become final and non-appealable; provided, however, that the right to terminate this Agreement pursuant to this Section 9.1(c) shall not be available to a Party if the failure by such Party or its Affiliates (or with respect to the Company, the Seller) to comply with any provision of this Agreement has been a substantial cause of, or substantially resulted in, such action by such Governmental Authority;

(d) by written notice by the Seller, if (i) there has been a breach by the Purchaser of any of its representations, warranties, covenants or agreements contained in this Agreement, or if any representation or warranty of the Purchaser shall have become untrue or inaccurate, in any case, which would result in a failure of a condition set forth in Section 8.2(a) or Section 8.2(b) to be satisfied (treating the Closing Date for such purposes as the date of this Agreement or, if later, the date of such breach), and (ii) the breach or inaccuracy is incapable of being cured or is not

cured within the earlier of (a) twenty (20) days after written notice of such breach or inaccuracy is provided by the Company or (b) the Outside Date; - 43 - (e) by written notice by the Purchaser, if (i) there has been a breach by the Company or the Seller of any of their respective representations, warranties, covenants or agreements contained in this Agreement, or if any representation or warranty of such Parties shall have become untrue or inaccurate, in any case, which would result in a failure of a condition set forth in Section 8.3(a) or Section 8.3(b) to be satisfied (treating the Closing Date for such purposes as the date of this Agreement or, if later, the date of such breach), and (ii) the breach or inaccuracy is incapable of being cured or is not cured within the earlier of (a) twenty (20) days after written notice of such breach or inaccuracy is provided by the Purchaser or (b) the Outside Date; or (f) by written notice by the Purchaser if there shall have been a Material Adverse Effect on the Target Companies following the date of this Agreement which is uncured and continuing. 9.2 Effect of Termination. This Agreement may only be terminated in the circumstances described in Section 9.1 and pursuant to a written notice delivered by the applicable Party to the other applicable Parties, which sets forth the basis for such termination, including the provision of Section 9.1 under which such termination is made. In the event of the valid termination of this Agreement pursuant to Section 9.1, this Agreement shall forthwith become void, and there shall be no Liability on the part of any Party or any of their respective Representatives, and all rights and obligations of each Party shall cease, except: (i) Sections 6.6, 6.10, 6.11, 9.3, ARTICLE XI and this Section 9.2 shall survive the termination of this Agreement, and (ii) nothing herein shall relieve any Party from Liability for any willful breach of any representation, warranty, covenant or obligation under this Agreement or any Fraud Claim against such Party, in either case, prior to termination of this Agreement (in each case of clauses (i) and (ii) above). Without limiting the foregoing, and except as otherwise provided in Sections 9.3 and this Section 9.2, the Parties' sole right prior to the Closing with respect to any breach of any representation, warranty, covenant or other agreement contained in this Agreement by another Party or with respect to the transactions contemplated by this Agreement shall be the right, if applicable, to terminate this Agreement pursuant to Section 9.1. 9.3 Fees and Expenses. All Expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such expenses. As used in this Agreement, "Expenses" shall include all out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment bankers, financial advisors, financing sources, experts and consultants to a Party hereto or any of its Affiliates) incurred by a Party or on its behalf in connection with or related to the authorization, preparation, negotiation, execution or performance of this Agreement and all other matters related to the consummation of the transactions contemplated by this Agreement. ARTICLE X RELEASES 10.1 Release and Covenant Not to Sue. Effective as of the Closing, to the fullest extent permitted by applicable Law, the Seller, on behalf of itself and its Affiliates (the "Releasing Persons"), hereby releases and discharges the Target Companies from and against any and all Actions, obligations, agreements, debts and Liabilities whatsoever, whether known or unknown, both at law and in equity, which such Releasing Person now has, has ever had or may hereafter have against the Target Companies arising on or prior to the Closing Date or on account of or arising out of any matter occurring on or prior to the Closing Date, including any rights to indemnification or reimbursement from a Target Company, whether pursuant to its Organizational Documents, Contract or otherwise, and whether or not relating to claims pending on, or asserted after, the Closing Date. From and after the Closing, each Releasing Person hereby irrevocably covenants to refrain from, directly or indirectly, asserting any Action, or commencing or causing to be commenced, any Action of any kind against the Target Companies or their respective Affiliates, based upon any matter purported to be released hereby. Notwithstanding anything herein to the contrary, the releases and restrictions set forth herein shall not apply to any claims a Releasing Person may have against any party other than the Company pursuant to the terms and conditions of this Agreement. - 44 - ARTICLE XI MISCELLANEOUS 11.1 Notices. All notices, consents, waivers and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered (i) in person, (ii) by facsimile or other electronic means, with affirmative confirmation of receipt, (iii) one Business Day after being sent, if sent by reputable, nationally recognized overnight courier service or (iv) three (3) Business Days after being mailed, if sent by registered or certified mail, pre-paid and return receipt requested, in each case to the applicable Party at the following addresses (or at such other address for a Party as shall be specified by like notice): If to the Company, to: Ridgeline International Limited Room 21, Unit B, 14/F. Win Sun Factory Bldg 2 San Hop Lane, Tuen Mun, NT Hong Kong Attention: Lingtao Kong Email: ltkong818@vip.163.com If to Purchaser, to: China Jo-Jo Drugstores, Inc. Renxin Yaju Building 5 Floor 4 Gong Shu District Hangzhou City, Zhejiang Province People's Republic of China, 310008 Attention: Frank Zhao Email: frank.zhao@jojodrugstores.com If to Seller, to: Lingtao Kong Room 21, Unit B, 14/F. Win Sun Factory Bldg 2 San Hop Lane, Tuen Mun, NT Hong Kong Attention: Lingtao Kong Email: ltkong818@vip.163.com With copies to (which shall not constitute notice): Norton Rose Fulbright US LLP One Embarcadero Center, Suite 1050 San Francisco, California 94111 United States Attention: Yan Zhang Email: yan.zhang@nortonrosefulbright.com - 45 - 11.2 Binding Effect; Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. This Agreement shall not be assigned by operation of Law or otherwise without the prior written consent of the Purchaser the Seller and the Company, and any assignment without such consent shall be null and void; provided that no such assignment shall relieve the assigning Party of its obligations hereunder. 11.3 Third Parties. Nothing contained in this Agreement or in any instrument or document executed by any party in connection with the transactions contemplated hereby shall create any rights in, or be deemed to have been executed for the benefit of, any Person that is not a Party hereto or thereto or a successor or permitted assign of such a Party. 11.4 Arbitration. (a) Any Action arising out of or in any way relating to this Agreement shall be submitted to the Hong Kong International Arbitration Centre ("HKIAC") and resolved in accordance with the HKIAC Administered Arbitration Rules in force at the relevant time and as may be amended by this Section 11.4 (the "HKIAC Rules"). The place of arbitration shall be Hong Kong. The official language of the arbitration shall be English and the tribunal shall consist of three arbitrators (each, an "Arbitrator"). The claimant(s), irrespective of number, shall nominate jointly one Arbitrator; the respondent(s), irrespective of number, shall nominate jointly one Arbitrator; and a third Arbitrator will be nominated jointly by the first two Arbitrators and shall serve as chairman of the arbitration tribunal. In the event the claimant(s) or respondent(s) or the first two Arbitrators shall fail to nominate or agree the joint nomination of an Arbitrator or the third Arbitrator within the time limits specified by the HKIAC Rules, such Arbitrator shall be appointed promptly by the HKIAC. The arbitration tribunal shall have no authority to award punitive or other punitive-type damages. The award of the arbitration tribunal shall be final and binding upon the disputing Parties. Any party to an award may apply to any court of competent jurisdiction for enforcement of such award and, for purposes of the enforcement of such award, the Parties irrevocably and unconditionally submit to the jurisdiction of any court of

competent jurisdiction and waive any defenses to such enforcement based on lack of personal jurisdiction or inconvenient forum. (b) Notwithstanding the foregoing, the Parties hereby consent to and agree that in addition to any recourse to arbitration as set out in this Section 11.4, any Party may, to the extent permitted under the rules and procedures of the HKIAC, seek an interim injunction or other form of relief from the HKIAC as provided for in its HKIAC Rules. Such application shall also be governed by, and construed in accordance with, the Laws of the State of New York. Nothing in this Section 11.4 shall be construed as preventing any Party from seeking conservatory or interim relief (including injunction, specific performance or other similar or comparable forms of equitable relief) from any court of competent jurisdiction pending final determination of the dispute by the arbitral tribunal.

11.5 Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the Laws of the State of New York, without regard to the conflict of laws principles thereof that would require or permit the application of Laws of another jurisdiction, except Sections 5-1401 and 5-1402 of the New York General Obligations Law.

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11.6 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY WAIVES TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY WITH RESPECT TO ANY ACTION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH PARTY HERETO (a) CERTIFIES THAT NO REPRESENTATIVE OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF ANY ACTION, SEEK TO ENFORCE THAT FOREGOING WAIVER AND (b) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION

11.6.

11.7 Specific Performance. Each Party acknowledges that the rights of each Party to consummate the transactions contemplated hereby are unique, recognizes and affirms that in the event of a breach of this Agreement by any Party, money damages may be inadequate and the non-breaching Parties may have not adequate remedy at law, and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed by an applicable Party in accordance with their specific terms or were otherwise breached. Accordingly, each Party shall be entitled to seek an injunction or restraining order to prevent breaches of this Agreement and to seek to enforce specifically the terms and provisions hereof, without the requirement to post any bond or other security or to prove that money damages would be inadequate, this being in addition to any other right or remedy to which such Party may be entitled under this Agreement, at law or in equity.

11.8 Severability. In case any provision in this Agreement shall be held invalid, illegal or unenforceable in a jurisdiction, such provision shall be modified or deleted, as to the jurisdiction involved, only to the extent necessary to render the same valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby nor shall the validity, legality or enforceability of such provision be affected thereby in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties will substitute for any invalid, illegal or unenforceable provision a suitable and equitable provision that carries out, so far as may be valid, legal and enforceable, the intent and purpose of such invalid, illegal or unenforceable provision.

11.9 Amendment. This Agreement may be amended, supplemented or modified only by execution of a written instrument signed by the Purchaser, the Seller and the Company.

11.10 Waiver. The Purchaser on behalf of itself and its Affiliates, on the one hand, and the Seller and the Company on behalf of themselves and their respective Affiliates, on the other hand, may in its sole discretion (i) extend the time for the performance of any obligation or other act of any other non-Affiliated Party hereto, (ii) waive any inaccuracy in the representations and warranties by such other non-Affiliated Party contained herein or in any document delivered pursuant hereto and (iii) waive compliance by such other non-Affiliated Party with any covenant or condition contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party or Parties to be bound thereby. Notwithstanding the foregoing, no failure or delay by a Party in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise of any other right hereunder.

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11.11 Entire Agreement. This Agreement and the documents or instruments referred to herein, including any exhibits and schedules attached hereto, which exhibits and schedules are incorporated herein by reference, embody the entire agreement and understanding of the Parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or the documents or instruments referred to herein, which collectively supersede all prior agreements and the understandings among the Parties with respect to the subject matter contained herein.

11.12 Interpretation. The table of contents and the Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement. In this Agreement, unless the context otherwise requires: (a) any pronoun used in this Agreement shall include the corresponding masculine, feminine or neuter forms, and words in the singular, including any defined terms, include the plural and vice versa; (b) reference to any Person includes such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and reference to a Person in a particular capacity excludes such Person in any other capacity; (c) any accounting term used and not otherwise defined in this Agreement has the meaning assigned to such term in accordance with GAAP; (d) "including" (and with correlative meaning "include") means including without limiting the generality of any description preceding or succeeding such term and shall be deemed in each case to be followed by the words "without limitation"; (e) the words "herein," "hereto," and "hereby" and other words of similar import in this Agreement shall be deemed in each case to refer to this Agreement as a whole and not to any particular Section or other subdivision of this Agreement; (f) the word "if" and other words of similar import when used herein shall be deemed in each case to be followed by the phrase "and only if"; (g) the term "or" means "and/or"; (h) any reference to the term "ordinary course" or "ordinary course of business" shall be deemed in each case to be followed by the words "consistent with past practice"; (i) any agreement, instrument, insurance policy, Law or Order defined or referred to herein or in any agreement or instrument that is referred to herein means such agreement, instrument, insurance policy, Law or Order as from time to time amended, modified or supplemented, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes, regulations, rules or orders) by succession of comparable successor statutes, regulations, rules or orders and references to all attachments thereto and instruments incorporated therein; (j) except as otherwise indicated, all references in this Agreement to the words "Section," "Article," "Schedule," and "Exhibit" are intended to refer to Sections, Articles, Schedules and Exhibits to this Agreement; (k) the term "Dollars" or "\$" means United States dollars, and (l) the terms "HK\$" or "Hong Kong Dollars" means Hong Kong dollars, the lawful currency for the time being of Hong

Kong. Any reference in this Agreement to a Person's directors shall include any member of such Person's governing body and any reference in this Agreement to a Person's officers shall include any Person filling a substantially similar position for such Person. Any reference in this Agreement to a Person's shareholders shall include any applicable owners of the equity interests of such Person, in whatever form, including with respect to the Purchaser its shareholders under the CICA or its Organizational Documents. The Parties have participated jointly in the negotiation and drafting of this Agreement. Consequently, in the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement. To the extent that any Contract, document, certificate or instrument is represented and warranted to be given, delivered, provided or made available by the Seller or the Company to be given, delivered, provided or made available by the Company, in order for such Contract, document, certificate or instrument to have been deemed to have been given, delivered, provided and made available to the Purchaser or its Representatives, such Contract, document, certificate or instrument shall have been posted to the electronic data site maintained on behalf of the Company for the benefit of the Purchaser and its Representatives, or otherwise provided in form mutually agreed to by the Purchaser and the Company, and the Purchaser and its Representatives have been given access to such Contract, document, certificate or instrument. - 48 - 11.13 Counterparts. This Agreement may be executed and delivered (including by facsimile or other electronic transmission) in one or more counterparts, and by the different Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

ARTICLE XII DEFINITIONS

12.1 Certain Definitions. For purpose of this Agreement, the following capitalized terms have the following meanings:

• "Action" means any notice of noncompliance or violation, or any claim, demand, charge, action, suit, litigation, audit, settlement, complaint, stipulation, assessment or arbitration, or any request (including any request for information), inquiry, hearing, proceeding or investigation, by or before any Governmental Authority.

• "Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

• "Benefit Plans" of any Person means any and all deferred compensation, executive compensation, incentive compensation, equity purchase or other equity-based compensation plan, employment or consulting, severance or termination pay, holiday, vacation or other bonus plan or practice, hospitalization or other medical, life or other insurance, supplemental unemployment benefits, profit sharing, pension, or retirement plan, program, agreement, commitment or arrangement, and each other employee benefit plan, program, agreement or arrangement, including each "employee benefit plan" as such term is defined under Section 3(3) of ERISA, maintained or contributed to or required to be contributed to by a Person for the benefit of any employee or terminated employee of such Person, or with respect to which such Person has any Liability, whether direct or indirect, actual or contingent, whether formal or informal, and whether legally binding or not.

• "Business Day" means any day other than a Saturday, Sunday or another day on which the banks in New York City, the Cayman Islands, Hong Kong or the People's Republic of China are authorized by Law or executive order to be closed. - 49 -

• "CICA" means the Companies Act (As Revised) of the Cayman Islands, as amended.

• "Code" means the Internal Revenue Code of 1986, as amended, and any successor statute thereto, as amended. Reference to a specific section of the Code shall include such section and any valid treasury regulation promulgated thereunder.

• "Company Confidential Information" means all confidential or proprietary documents and information concerning the Target Companies or the Seller or any of their respective Representatives, furnished in connection with this Agreement or the transactions contemplated hereby; provided, however, that Company Confidential Information shall not include any information which, (i) at the time of disclosure by the Purchaser or their Representatives, is generally available publicly and was not disclosed in breach of this Agreement or (ii) at the time of the disclosure by the Company, the Seller or their respective Representatives to the Purchaser or its Representatives was previously known by such receiving party without violation of Law or any confidentiality obligation by the Person receiving such Company Confidential Information.

• "Company IP Licenses" means all licenses, sublicenses and other agreements or permissions, under which a Target Company is a licensee or otherwise is authorized to use or practice any Intellectual Property.

• "Company Licensed IP" means all Company IP that are not Company Owned IP.

• "Company Ordinary Shares" means the ordinary shares of the Company, par value HK\$1.00 per share.

• "Company Owned IP" means all Company Registered IP and all other Company IP owned or purported to be owned by, or subject to an obligation to be assigned to, the Company or any Subsidiary of the Company.

• "Company Registered IP" means all Patents, Trademarks, Internet Assets and Copyrights owned or licensed by a Target Company or otherwise used or held for use by a Target Company in which a Target Company is the owner, applicant or assignee.

• "Consent" means any consent, approval, waiver, authorization or Permit of, or notice to or declaration or filing with any Governmental Authority or any other Person.

• "Contracts" means all contracts, agreements, binding arrangements, bonds, notes, indentures, mortgages, debt instruments, purchase order, licenses (and all other contracts, agreements or binding arrangements concerning Intellectual Property), franchises, leases and other instruments or obligations of any kind, written or oral (including any amendments and other modifications thereto).

• "Control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise.

• "Controlled", "Controlling" and "under common Control with" have correlative meanings. Without limiting the foregoing a Person (the "Controlled Person") shall be deemed Controlled by (a) any other Person (the "10% Owner") (i) owning beneficially, as meant in Rule 13d-3 under the Exchange Act, securities entitling such Person to cast ten percent (10%) or more of the votes for election of directors or equivalent governing authority of the Controlled Person or (ii) entitled to be allocated or receive ten percent (10%) or more of the profits, losses, or distributions of the Controlled Person; (b) an officer, director, general partner, partner (other than a limited partner), manager, or member (other than a member having no management authority that is not a 10% Owner) of the Controlled Person; or (c) a spouse, parent, lineal descendant, sibling, aunt, uncle, niece, nephew, mother-in-law, father-in-law, sister-in-law, or brother-in-law of an Affiliate of the Controlled Person or a trust for the benefit of an Affiliate of the Controlled Person or of which an Affiliate of the Controlled Person is a trustee. - 50 -

• "Copyrights" means any works of authorship, mask works and all copyrights therein, including all renewals and extensions, copyright registrations and applications for registration and renewal, and non-registered copyrights.

• "Environmental Law" means any Law in any way relating to (a) the protection of human health and safety, (b) the protection, preservation or restoration of the environment and natural resources (including air, water vapor, surface water, groundwater, drinking water supply, surface land, subsurface land, plant and animal life or any other natural resource), or (c) the exposure to, or the use, storage, recycling, treatment, generation, transportation, processing, handling, labeling,

production, release or disposal of Hazardous Materials. "Environmental Liabilities" means, in respect of any Person, all Liabilities, obligations, responsibilities, Remedial Actions, Losses, damages, costs, and expenses (including all reasonable fees, disbursements, and expenses of counsel, experts, and consultants and costs of investigation and feasibility studies), fines, penalties, sanctions, and interest incurred as a result of any claim or demand by any other Person or in response to any violation of Environmental Law, whether known or unknown, accrued or contingent, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, to the extent based upon, related to, or arising under or pursuant to any Environmental Law, Environmental Permit, Order, or Contract with any Governmental Authority or other Person, that relates to any environmental, health or safety condition, violation of Environmental Law, or a Release or threatened Release of Hazardous Materials. "ERISA" means the Employee Retirement Income Security Act of 1974, as amended. "Exchange Act" means the Securities Exchange Act of 1934, as amended. "Foreign Plan" means any plan, fund (including any superannuation fund) or other similar program or arrangement established or maintained outside the United States by the Company or any one or more of its Subsidiaries primarily for the benefit of employees of the Company or such Subsidiaries residing outside the United States, which plan, fund or other similar program or arrangement provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and which plan is not subject to ERISA or the Code. "Fraud Claim" means any claim based in whole or in part upon fraud, willful misconduct or intentional misrepresentation. "GAAP" means generally accepted accounting principles as in effect in the United States of America. "Governmental Authority" means any federal, national, territorial, state, provincial, local, foreign or other governmental, quasi-governmental or administrative body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body. "Hazardous Material" means any waste, gas, liquid or other substance or material that is defined, listed or designated as a "hazardous substance", "pollutant", "contaminant", "hazardous waste", "regulated substance", "hazardous chemical", or "toxic chemical" (or by any similar term) under any Environmental Law, or any other material regulated, or that could result in the imposition of Liability or responsibility, under any Environmental Law, including petroleum and its by-products, asbestos, polychlorinated biphenyls, radon, mold, and urea formaldehyde insulation. "Indebtedness" of any Person means (a) all indebtedness of such Person for borrowed money (including the outstanding principal and accrued but unpaid interest) or for the deferred purchase price of property or services, (b) any other indebtedness of such Person that is evidenced by a note, bond, debenture, credit agreement or similar instrument, (c) all obligations of such Person under leases that should be classified as capital leases in accordance with GAAP, (d) all obligations of such Person for the reimbursement of any obligor on any line of credit, banker's acceptance, guarantee or similar credit transaction, in each case, that has been drawn or claimed against, (e) all obligations of such Person in respect of acceptances issued or created, (f) all interest rate and currency swaps, caps, collars and similar agreements or hedging devices under which payments are obligated to be made by such Person, whether periodically or upon the happening of a contingency, (g) all obligations secured by an Lien on any property of such Person and (h) any premiums, prepayment fees or other penalties, fees, costs or expenses associated with payment of any Indebtedness of such Person and (i) all obligation described in clauses (a) through (h) above of any other Person which is directly or indirectly guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire or in respect of which it has otherwise assured a creditor against loss. "Intellectual Property" means all of the following as they exist in any jurisdiction throughout the world: Patents, Trademarks, Copyrights, Trade Secrets, Internet Assets, Software and other intellectual property, and all licenses, sublicenses and other agreements or permissions related to the preceding property. "Internet Assets" means any all domain name registrations, web sites and web pages and related rights, items and documentation related thereto. "Knowledge" means, with respect to (i) the Company, the actual knowledge of the executive officers or directors of any Target Company, after due inquiry, (ii) the Seller, the actual knowledge of the Seller, after due inquiry and (iii) the Purchaser, the actual knowledge of its directors and executive officers, after due inquiry. "Law" means any federal, national, territorial, state, provincial, local, municipal, foreign or other law, statute, legislation, principle of common law, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, directive, requirement, writ, injunction, settlement, Order or Consent that is or has been issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Authority. "Liabilities" means any and all liabilities, Indebtedness, Actions or obligations of any nature (whether absolute, accrued, contingent or otherwise, whether known or unknown, whether direct or indirect, whether matured or unmatured and whether due or to become due), including Tax liabilities due or to become due. "Lien" means any mortgage, pledge, security interest, attachment, right of first refusal, option, proxy, voting trust, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof), restriction (whether on voting, sale, transfer, disposition or otherwise), any subordination arrangement in favor of another Person, any filing or agreement to file a financing statement as debtor under the Uniform Commercial Code or any similar Law. "Material Adverse Effect" means, with respect to any specified Person, any fact, event, occurrence, change or effect that has had, or would reasonably be expected to have, individually or in the aggregate, a material adverse effect upon (a) the business, assets, Liabilities, results of operations, prospects or condition (financial or otherwise) of such Person and its Subsidiaries, taken as a whole, or (b) the ability of such Person or any of its Subsidiaries on a timely basis to consummate the transactions contemplated by this Agreement or to perform its obligations hereunder; provided, however, that for the purposes of clause (a), any changes or effects directly or indirectly attributable to, resulting from, relating to or arising out of the following (by themselves or when aggregated with any other, changes or effects) shall not be deemed to be, constitute, or be taken into account when determining whether there has or may, would or could have occurred a Material Adverse Effect: (i) general changes in the financial or securities markets or general economic or political conditions in the country or region in which such Person or any of its Subsidiaries do business; (ii) changes, conditions or effects that generally affect the industries in which such Person or any of its Subsidiaries principally operate; (iii) changes in GAAP or other applicable accounting principles or mandatory changes in the regulatory accounting requirements applicable to any industry in which such Person and its Subsidiaries principally operate; (iv) epidemic-induced public health crises, changes in geopolitical conditions, acts of terrorism or sabotage, war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, earthquakes, tornados, hurricanes, or other weather conditions or natural calamities or other force majeure events, including any material worsening of such conditions threatened or existing as of the date of this Agreement; (v) any failure in and of itself by such Person and its

Subsidiaries to meet any internal or published budgets, projections, forecasts or predictions of financial performance for any period (provided that the underlying cause of any such failure may be considered in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur to the extent not excluded by another exception herein); (vi) any adoption, implementation, promulgation, repeal, modification, amendment, reinterpretation, or other change in any applicable Law of or by any Governmental Authority in the country or region in which such Person or any of its Subsidiaries do business, (vii) any actions taken, or the failure to take any action, as required by the terms of this Agreement or at the written request or with the written consent of any other Parties of this Agreement, (viii) the negotiation, execution or announcement of this Agreement, the Divestiture Agreement and the Transactions, including any litigation arising therefrom and any adverse change in relationship with any customer, employee (including employee departures), supplier, financing source or joint venture partner resulting therefrom, (ix) changes in the price or trading volume of the Purchaser Shares (provided that the underlying cause of any such change may be considered in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur to the extent not excluded by another exception herein), and (x) effects resulting solely from the identity of any Party, or any of their respective Affiliates, provided, further, that any event, occurrence, fact, condition, or change referred to in clauses (i) - (iv) and (vi) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur to the extent that such event, occurrence, fact, condition, or change has a disproportionate effect on such Person or any of its Subsidiaries compared to other participants in the industries in which such Person or any of its Subsidiaries primarily conducts its businesses.

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“Nasdaq” means the Nasdaq Stock Market LLC.

“Off-the-Shelf Software Agreements” means “shrink wrap,” “click wrap,” and “off the shelf” software agreements and other agreements for Software commercially available on reasonable terms to the public generally with license, maintenance, support and other fees of less than \$5,000 per year.

“Order” means any order, decree, ruling, judgment, injunction, writ, determination, binding decision, verdict, judicial award or other action that is or has been made, entered, rendered, or otherwise put into effect by or under the authority of any Governmental Authority.

“Organizational Documents” means, with respect to any Person, the articles of incorporation, articles of association, certificate of incorporation, certificate of registration, charter, by-laws, articles of formation, certificate of formation, regulations, operating agreement, memorandum of association, certificate of limited partnership, partnership agreement and all other similar documents, instruments or certificates executed, adopted or filed in connection with the creation, formation or organization of a Person, as amended and effective under applicable Laws.

“Patents” means any patents, patent applications and the inventions, designs and improvements described and claimed therein, patentable inventions, and other patent rights (including any divisionals, provisionals, continuations, continuations-in-part, substitutions, or reissues thereof, whether or not patents are issued on any such applications and whether or not any such applications are amended, modified, withdrawn, or refiled).

“Permits” means all federal, state, territorial, local or foreign or other third-party permits, grants, easements, consents, approvals, authorizations, exemptions, licenses, franchises, concessions, ratifications, permissions, clearances, confirmations, endorsements, waivers, certifications, designations, ratings, registrations, qualifications or orders of any Governmental Authority or any other Person.

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“Permitted Liens” means (a) Liens for Taxes or assessments and similar governmental charges or levies, which either are (i) not delinquent or (ii) being contested in good faith and by appropriate proceedings, and adequate reserves have been established with respect thereto, (b) other Liens imposed by operation of Law arising in the ordinary course of business for amounts which are not due and payable and as would not in the aggregate materially adversely affect the value of, or materially adversely interfere with the use of, the property subject thereto, (c) Liens incurred or deposits made in the ordinary course of business in connection with social security, (d) Liens on goods in transit incurred pursuant to documentary letters of credit, in each case arising in the ordinary course of business, or (v) Liens arising under this Agreement.

“Person” means an individual, corporation, company, exempted company, partnership (including a general partnership, limited partnership or limited liability partnership), limited liability company, joint venture, association, trust or other entity or organization, including a government, domestic or foreign, or political subdivision thereof, or an agency or instrumentality thereof.

“Personal Property” means any machinery, equipment, tools, vehicles, furniture, leasehold improvements, office equipment, plant, parts and other tangible personal property.

“Purchaser Confidential Information” means all confidential or proprietary documents and information concerning the Purchaser, its Subsidiaries or any of its Representatives; provided, however, that Purchaser Confidential Information shall not include any information which, (i) at the time of disclosure by the Company, the Seller or their respective Representatives, is generally available publicly and was not disclosed in breach of this Agreement or (ii) at the time of the disclosure by the Purchaser or its Representatives to the Company, the Seller or their respective Representatives was previously known by such receiving party without violation of Law or any confidentiality obligation by the Person receiving such Purchaser Confidential Information. For the avoidance of doubt, from and after the Closing, Purchaser Confidential Information will include the confidential or proprietary information of the Target Companies.

“Purchaser Shares” means the ordinary shares of the Purchaser, par value \$0.24 per share.

“Release” means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, or leaching into the indoor or outdoor environment, or into or out of any property.

“Remedial Action” means all actions to (i) clean up, remove, treat, or in any other way address any Hazardous Material, (ii) prevent the Release of any Hazardous Material so it does not endanger or threaten to endanger public health or welfare or the indoor or outdoor environment, (iii) perform pre-remedial studies and investigations or post-remedial monitoring and care, or (iv) correct a condition of noncompliance with Environmental Laws.

“Representative” means, as to any Person, such Person’s Affiliates and its and their managers, directors, officers, employees, agents and advisors (including financial advisors, counsel and accountants).

“SEC” means the U.S. Securities and Exchange Commission (or any successor Governmental Authority).

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“Securities Act” means the Securities Act of 1933, as amended.

“Shareholder Approval” means (a) an ordinary resolution (as defined in the Purchaser’s Organizational Documents) passed by the affirmative vote of the holders of Purchaser Shares representing at least a simple majority of the votes cast by all the holders of Purchaser Shares present in person or by proxy at the Shareholder Meeting, to approve and authorize this Agreement and the transactions contemplated by this Agreement and (b) any and all other resolutions to be passed by the holders of Purchaser Shares at the Shareholder Meeting to give effect to the transactions contemplated by this Agreement, including without limitation (i) a special resolution (as defined in the CICA) to approve the change of corporate name of the Purchaser in accordance with Section 6.16 of this Agreement, and (ii) an ordinary resolution to approve the appointment of Lingtao Kong as a director on the Purchaser Board effective as of the Closing in accordance with Section 6.15 of this Agreement.

“Shareholder Meeting”

means the meeting of the holders of Purchaser Shares for the purpose of seeking the Shareholder Approval, including any postponement or adjournment thereof. "Software" means any computer software programs, including all source code, object code, and documentation related thereto and all software modules, tools and databases. "Subsidiary" means, with respect to any Person, any corporation, company, exempted company, partnership, association or other business entity of which (i) if a corporation, company or exempted company, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, association or other business entity, a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a partnership, association or other business entity if such Person or Persons will be allocated a majority of partnership, association or other business entity gains or losses or will be or control the managing director, managing member, general partner or other managing Person of such partnership, association or other business entity. "Tax Return" means any return, declaration, report, claim for refund, information return or other documents (including any related or supporting schedules, statements or information) filed or required to be filed in connection with the determination, assessment or collection of any Taxes or the administration of any Laws or administrative requirements relating to any Taxes. "Taxes" means (a) all direct or indirect federal, territorial, national, state, provincial, local, foreign and other net income, gross income, gross receipts, sales, use, value-added, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, social security and related contributions due in relation to the payment of compensation to employees, excise, severance, stamp, occupation, premium, property, windfall profits, alternative minimum, estimated, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts with respect thereto, (b) any Liability for payment of amounts described in clause (a) whether as a result of being a member of an affiliated, consolidated, combined or unitary group for any period or otherwise through operation of law and (c) any Liability for the payment of amounts described in clauses (a) or (b) as a result of any tax sharing, tax group, tax indemnity or tax allocation agreement with, or any other express or implied agreement to indemnify, any other Person. "Trade Secrets" means any trade secrets, confidential business information, concepts, ideas, designs, research or development information, processes, procedures, techniques, technical information, specifications, operating and maintenance manuals, engineering drawings, methods, knowhow, data, mask works, discoveries, inventions, modifications, extensions, improvements, and other proprietary rights (whether or not patentable or subject to copyright, trademark, or trade secret protection). "Trademarks" means any trademarks, service marks, trade dress, trade names, brand names, internet domain names, designs, logos, or corporate names (including, in each case, the goodwill associated therewith), whether registered or unregistered, and all registrations and applications for registration and renewal thereof. 12.2 Section References. The following capitalized terms, as used in this Agreement, have the respective meanings given to them in the Section as set forth below adjacent to such terms: Defined Term Section Accounts Receivable 4.25 Acquisition Proposal 6.5(a) Acquisition Transaction Recitals Agreement Allright Recitals Alternative Transaction 6.5(a) Arbitrator 11.4(a) Claim Notice 7.4(b) Closing 2.1 Closing Date 2.1 Company Preamble Company Benefit Plan 4.19(a) Company Disclosure Schedules ARTICLE IV Company Financials 4.7(a) Company IP 4.13(d) Company Material Contract 4.12(a) Company Permits 4.10 Company Personal Property Leases 4.16 Company Real Property Leases 4.15 Divestiture Agreement Recitals Divestiture Transaction Recitals Enforceability Exceptions 3.2 Environmental Permit 4.20(a) Exchange Shares 1.2 Expenses 9.3 HKIAC 11.4(a) HKIAC Rules 11.4(a) Indemnified Parties 7.2 Indemnifying Parties 7.2 Interim Balance Sheet 4.7(a) Interim Balance Sheet Date 4.7(a) Interim Period 6.1(a) Liu Recitals Liu Parties Recitals Loss 7.2 Oakview Recitals Outbound IP License 4.13(c) Outside Date 9.1(b) Party(ies) Preamble Purchased Shares 1.1 Purchaser Preamble Purchaser Board Preamble Purchaser Disclosure Schedules ARTICLE III Purchaser Financials 3.6(b) Related Person 4.21 Releasing Persons 10.1 Renovation Recitals Requisite Regulatory Approvals 8.1(d) Sarbanes-Oxley Act 3.6(a) SEC Reports 3.6(a) Seller Preamble Seller Disclosure Schedules ARTICLE V Special Committee Recitals Supplemental Disclosure Schedules 6.14(a) Target Companies Recitals Third Party Claim 7.4(c) Transactions Recitals [REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGE FOLLOWS] IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be signed and delivered by its respective duly authorized officer as of the date first written above. The Purchaser: CHINA JO-JO DRUGSTORES, INC. By: /s/ Ming Zhao Name: Ming Zhao Title: Chief Financial Officer The Company: RIDGELINE INTERNATIONAL LIMITED By: /s/ Lingtao Kong Name: Lingtao Kong Title: Director The Seller: /s/ Lingtao Kong LINGTAO KONG [Signature Page to Equity Exchange Agreement (Acquisition Transaction)] EX-10.2 3 ea022954901ex10\_2\_china.htm EQUITY EXCHANGE AGREEMENT, DATED AS OF JANUARY 31, 2025, BY AND AMONG CHINA JO-JO DRUGSTORES, INC., RENOVATION INVESTMENT (HONG KONG) CO., LTD., LEI LIU, LI QI, AND OAKVIEW INTERNATIONAL LIMITED Exhibit 10.2 Equity EXCHANGE AGREEMENT This Equity Exchange Agreement (this Agreement) is made and entered into as of January 31, 2025, by and among (i) China Jo-Jo Drugstores, Inc., a Cayman Islands exempted company (CJJD), (ii) Renovation Investment (Hong Kong) Co., Ltd. (Renovation), a Hong Kong private limited company (Renovation), together with CJJD, the CJJD Parties, (iii) Lei Liu, the current Chief Executive Officer and director of CJJD (Liu), (iv) Li Qi, a director of CJJD (Qi), and (v) Oakview International Limited (Oakview), a Hong Kong private limited company co-owned by Liu and Qi (Oakview), collectively with Liu and Qi, the Liu Parties. The CJJD Parties and the Liu Parties are sometimes referred to herein individually as a Party and, collectively, as the Parties. RECITALS: WHEREAS, CJJD owns all of the issued and outstanding shares of Renovation and Renovation owns all the equity of Zhejiang Jiu Xin Investment Management Co. Ltd. (Jiuxin), a limited liability company incorporated in the People's Republic of China (the PRC) (Jiuxin Investment); WHEREAS, Liu and Qi collectively own all of the issued and outstanding shares of Oakview; WHEREAS, CJJD desires to cause Renovation to transfer to Oakview, and Liu and Qi desires to cause Oakview to acquire, all of the issued and outstanding shares of Jiuxin Investment, subject to the terms and conditions set forth herein (the Divestiture Transaction); WHEREAS, Jiuxin Investment currently controls, by contractual arrangements, each of Hangzhou Jiuzhou Grand Pharmacy Chain Co., Ltd. (Jiuzhou Pharmacy), Hangzhou Jiuzhou Clinic of Integrated Traditional and Western Medicine (Jiuzhou Clinic) and Hangzhou Jiuzhou Medical and Public Health Service Co., Ltd. (Jiuzhou Service), and their wholly owned subsidiaries, through

which CJJD conducts its online and offline retailer of pharmaceutical and other healthcare products in the PRC; WHEREAS, Jiuxin Investment currently directly, and indirectly through Jiuzhou Service, owns or controls all the equity of Hangzhou Qianhong Agriculture Development Co., Ltd. (Qianhong Agriculture), and together with Jiuxin Investment, Jiuzhou Pharmacy, Jiuzhou Clinic, Jiuzhou Service and their respective subsidiaries, the Divested Entities; WHEREAS, following the consummation of the Divestiture Transaction, each of the Divested Entities will be owned or controlled indirectly by the Liu Parties, and none of the Divested Entities will be a subsidiary or consolidated variable interest entity of CJJD; WHEREAS, concurrently with the entry into this Agreement, CJJD has entered into an equity exchange agreement (the Acquisition Agreement) with Lingtao Kong, a Hong Kong resident (Kong), and Ridgeline International Limited (Ridgeline), a Hong Kong private company (Ridgeline), pursuant to which Mr. Kong will transfer all his ownership interests in Ridgeline to CJJD, in exchange for the issuance of 2,225,000 Ordinary Shares to Kong (the Acquisition Transaction, and together with the Divestiture Transaction, the Transactions), representing approximately thirty-eight percent (38%) of issued and outstanding Ordinary Shares of CJJD after giving effect to the Transactions; WHEREAS, the Board of Directors of CJJD (the CJJD Board) has established a special committee of independent and disinterested members of the CJJD Board (the Special Committee) and delegated authority to the Special Committee to evaluate and approve the Transactions; and WHEREAS, the Special Committee has unanimously (a) determined that this Agreement and the transactions contemplated by this Agreement are advisable, fair to and in the best interests of CJJD and the Unaffiliated CJJD Shareholders (as defined below); (b) approved the execution and delivery of this Agreement by the CJJD Parties, the performance by the CJJD Parties of their respective covenants and other obligations hereunder, and the consummation of the Divestiture Transaction and other transactions contemplated hereby upon the terms and conditions set forth herein, and (c) resolved to recommend that the Unaffiliated CJJD Shareholders adopt this Agreement at any Shareholder Meeting. NOW, THEREFORE, in consideration of the premises set forth above, which are incorporated in this Agreement as if fully set forth below, and the representations, warranties, covenants and agreements contained in this Agreement, and intending to be legally bound hereby, the Parties hereto agree as follows:

**ARTICLE I THE SHARE EXCHANGE; CLOSING**

**1.1 Sale and Purchase of Acquired Shares.** At the Closing and subject to and upon the terms and conditions of this Agreement, Renovation shall, and CJJD shall cause Renovation to, sell, transfer, convey, assign and deliver to Oakview, and Oakview shall, and Liu and Qi shall cause Oakview to, purchase, acquire and accept from Renovation, all of the equity of Jiuxin Investment (the Acquired Shares), free and clear of all Liens (other than potential restrictions on resale under applicable securities Laws), in exchange for an irrevocable surrender to CJJD (for no consideration from CJJD) of an aggregate number of 2,548,353 Ordinary Shares held by Liu Parties and their Affiliates (the Surrendered Shares).

**1.2 Closing.** The consummation of the transactions contemplated by this Agreement (the Closing) shall occur substantially simultaneously with, and be conditioned upon the occurrence of, the consummation of the transactions contemplated by the Acquisition Agreement. In accordance with the terms and subject to the conditions of this Agreement and the Acquisition Agreement, the Closing shall take place electronically by the mutual exchange of electronic signatures (including portable document format (.PDF)) on the date which is two (2) Business Days after the first date on which all conditions set forth in ARTICLE II and Article VIII of the Acquisition Agreement shall have been satisfied or, to the extent legally permissible, waived (other than those conditions that by their terms are to be satisfied at the Closing, but subject to the satisfaction or, to the extent legally permissible, waiver thereof), or at such other date, time or place as the Parties and the parties to the Acquisition Agreement may agree. The date on which the closing of the transactions contemplated herein and in the Acquisition Agreement actually occurs is referred to as the Closing Date.

**2 ARTICLE II CLOSING; CLOSING CONDITIONS**

**2.1 Conditions to Each Party's Obligations.** The respective obligations of each Party to consummate the transactions contemplated by this Agreement shall be subject to the satisfaction on or prior to the Closing Date of each of the following conditions, any and all of which may be waived in whole or in part by the Parties, as the case may be, to the extent permitted by applicable Law:

(a) Shareholder Approval. The Shareholder Approval shall have been obtained in accordance with the Companies Act (As Revised) of the Cayman Islands and CJJD's Organizational Documents; and

(b) Nasdaq Clearance. (i) CJJD's initial listing application with the Nasdaq Stock Market LLC (Nasdaq) in connection with the Transactions shall have been approved and the CJJD shall not have received any notice of non-compliance therewith that has not been cured or would not be cured at or immediately following the Closing, or Nasdaq determines that no such initial listing application is required in connection with the Transactions, and (ii) CJJD shall remain listed on Nasdaq as a public company as of or immediately following the Closing and all Ordinary Shares to be issued pursuant to the Transactions shall be approved for listing on Nasdaq, subject only to official notice of issuance thereof.

(c) Laws and Orders. There shall not be in effect any applicable Law or Order that prohibits or makes illegal the consummation of the transactions contemplated by this Agreement or causes the transactions contemplated by this Agreement to be rescinded following consummation.

(d) Consummation of the Acquisition Transaction. (i) All conditions precedent to the closing of the transactions contemplated by the Acquisition Agreement set forth in the Acquisition Agreement shall have been satisfied (as determined by the parties to the Acquisition Agreement) or waived (other than those conditions which, by their nature, are to be satisfied at the Closing pursuant to the Acquisition Agreement) and (ii) the closing of the transactions contemplated by the Acquisition Agreement be scheduled to occur substantially concurrently with the closing of the transactions contemplated by this Agreement.

(e) Regulatory Approvals. All Consents of any Governmental Authority required under applicable Laws shall have been filed, shall have occurred or been obtained (all such Consents being referred to as the Requisite Regulatory Approvals) and all such Requisite Regulatory Approvals shall be in full force and effect.

**3 ARTICLE III**

**2.2 Conditions to Obligations of Liu Parties.** The obligations of the Liu Parties to consummate the transactions contemplated by this Agreement are also subject to the satisfaction or waiver (in writing) by the Liu Parties on or prior to the Closing Date of each of the following conditions:

(a) Representations and Warranties. The representations and warranties of the CJJD Parties set forth in ARTICLE IV shall be true and correct (without giving effect to any materiality qualifier set forth therein) in all material respects as of the date hereof and as of the Closing Date as though made as of the Closing Date, except representations and warranties that by their terms speak as of a specific date shall be true and correct (without giving effect to any materiality qualifier set forth therein) in all material respects only as of such date.

(b) Covenants. All of the covenants and obligations that each of the CJJD Parties is required to perform or comply with under this Agreement on or before the Closing Date shall have been duly performed and complied with in all material respects.

(c) No Material Adverse Effect. Since the date of this Agreement, no Material Adverse Effect shall have occurred that is continuing.

**2.3 Conditions to Obligations of the CJJD Parties.** The obligations of the CJJD Parties to consummate the transactions contemplated by this Agreement are also subject to

the satisfaction or waiver (in writing) by the CJJD Parties on or prior to the Closing Date of each of the following conditions: **Â (a)Â Representations and Warranties.** The representations and warranties of the Liu Parties set forth in ARTICLEÂ III shall be true and correct (without giving effect to any "materiality" qualifier set forth therein) in all material respects as of the date hereof and as of the Closing Date as though made as of the Closing Date, except representations and warranties that by their terms speak as of a specific date shall be true and correct (without giving effect to any "materiality" qualifier set forth therein) in all material respects only as of such date. **Â (b)Â Covenants.** All of the covenants and obligations that each of the Liu Parties is required to perform or comply with under this Agreement on or before the Closing Date shall have been duly performed and complied with in all material respects. **Â 2.4Â Frustration of Closing Conditions.** None of the Liu Parties or the CJJD Parties may rely on the failure of any condition set forth in this ARTICLEÂ II to be satisfied if such failure were caused by such Party's failure to comply with this Agreement and consummate the transactions as contemplated by this Agreement. **Â ARTICLEÂ III LIU Parties' REPRESENTATIONS AND WARRANTIES** **Â** The Liu Parties hereby jointly and severally represent and warrant to the CJJD Parties, as of the date of this Agreement and as of the Closing Date (except where such representation or warranty is made as of another specific date), as follows: **Â 3.1Â Organization; Due Authorization.** Oakview is duly organized, validly existing and in good standing (or the equivalent thereof) under the Laws of the jurisdiction in which it is incorporated, formed, organized or constituted. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby are within such Oakview's corporate or organizational powers and have been duly authorized by all necessary corporate or organizational actions on the part of Oakview. Each of Liu and Qi has full legal capacity, right and authority to execute and deliver this Agreement and to perform his or her obligations hereunder. This Agreement has been duly executed and delivered by each of the Liu Parties and, assuming due authorization, execution and delivery by the CJJD Parties, this Agreement constitutes a legally valid and binding obligation of each of the Liu Parties, enforceable against each such Party in accordance with the terms hereof (except as enforceability may be limited by bankruptcy Laws, other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies). **Â 4 Â 3.2Â Governmental Approvals.** No Consent of or with any Governmental Authority is required to be obtained or made by any Liu Party in connection with the execution, delivery or performance of this Agreement or the consummation of the transactions contemplated hereby, other than (a) such filings as may be required in any jurisdiction in which such Party is qualified or authorized to do business as a foreign corporation in order to maintain such qualification or authorization, (b) such filings as contemplated by this Agreement, (c) any filings required with Nasdaq with respect to the transactions contemplated by this Agreement, (d) applicable requirements, if any, of the Securities Act of 1933, as amended (the "Securities Act"), the Securities Exchange Act of 1934, as amended (the "Securities Exchange Act"), and/ or any state "blue sky" securities laws, and the rules and regulations thereunder, or (e) any consents, approvals, authorizations, designations, declarations, waivers or filings, the absence of which would not adversely affect the ability of the Liu Parties to perform, or otherwise comply with, any of their covenants, agreements or obligations hereunder in any material respect. **Â 3.3Â Non-Contravention.** The execution and delivery by each Liu Party of this Agreement and the consummation of the transactions contemplated hereby, and compliance with any of the provisions hereof, will not (a) conflict with or violate any provision of the Organizational Documents of such Party (if any), (b) conflict with or violate any Law, Order or Consent applicable to such Party or any of its properties or assets, or (c) (i) violate, conflict with or result in a breach of, (ii) constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, (iii) result in the termination, withdrawal, suspension, cancellation or modification of, (iv) accelerate the performance required by such Party under, (v) result in a right of termination or acceleration under, (vi) give rise to any obligation to make payments or provide compensation under, (vii) result in the creation of any Lien upon any of the properties or assets of such Party under, (viii) give rise to any obligation to obtain any third party consent or provide any notice to any Person or (ix) give any Person the right to declare a default, exercise any remedy, claim a rebate, chargeback, penalty or change in delivery schedule, accelerate the maturity or performance, cancel, terminate or modify any right, benefit, obligation or other term under, any of the terms, conditions or provisions of, any material Contract of such Party, except, in the case of clause (c) directly above, for any such violation, conflict, breach, default, termination, withdrawal, suspension, cancellation, modification, acceleration, creation or change that would not, individually or in the aggregate, reasonably be expected to prevent or materially delay or impair the Liu Parties' ability to perform, or otherwise comply with, any of their covenants, agreements or obligations hereunder or to consummate the transactions contemplated hereby. **Â 3.4Â Legal Proceedings.** There is no Action pending or, to the knowledge of the Liu Parties, threatened against any Liu Party that questions or challenges the ownership of the Surrendered Shares, nor the validity of this Agreement, or that may prevent, delay, make illegal or otherwise interfere with the ability of the Liu Parties to consummate the transactions contemplated by this Agreement. **Â 5 Â 3.5Â Capitalization and Ownership.** The Liu Parties are the record and beneficial owner (as defined in the Securities Act) of, and have good, valid and marketable title to, the Surrendered Shares, and there exist no Liens or any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such Surrendered Shares (other than transfer restrictions under the Securities Act)) affecting any such Surrendered Shares, other than Liens pursuant to (i) this Agreement, (ii) the Organizational Documents of CJJD, or (iii) any applicable securities Laws. The Surrendered Shares are the only equity securities in CJJD owned or beneficially by any Liu Party on the date of this Agreement. Other than the Surrendered Shares, the Liu Parties do not hold or own any rights to acquire (directly or indirectly) any equity securities of CJJD or any securities convertible into, or which can be exchanged for, equity securities of CJJD. All of the Surrendered Shares are duly authorized, validly issued, fully paid and non-assessable. Except for this Agreement, neither any Liu Party nor any other Person related to the Liu Parties has granted any option in or to any of the Surrendered Shares. Except for this Agreement, there are no Contracts in force to which any of the Liu Parties or any other Person related to the Liu Parties is a party or bound with respect to the Surrendered Shares, including any voting trusts or proxies, registration rights, shareholder or other contracts relating to, binding on or otherwise affecting the Surrendered Shares. **Â 3.6Â Independent Investigation.** The Liu Parties have conducted their own independent investigation, review and analysis of the business, operations, assets, Liabilities, results of operations, financial condition and prospects of the business of the Divested Entities as they have deemed appropriate, which investigation, review and analysis was done by the Liu Parties and their Affiliates and Representatives. The Liu Parties acknowledge that they and their Affiliates and Representatives have been provided adequate access to the personnel, properties, premises and records of the Divested Entities for such purpose. In entering into this Agreement, the Liu Parties acknowledge that they have relied upon the aforementioned investigation, review and analysis and not on any factual

representations or opinions of the CJJD Parties or their Affiliates or Representatives, except the representations and warranties set forth in ARTICLE IV. The Liu Parties hereby acknowledge and agree that other than the representations and warranties set forth in ARTICLE IV, none of the CJJD Parties, any of their Affiliates, or any of their respective Representatives or shareholders make or have made any representation or warranty, express or implied, at law or in equity, as to any matter relating to the Acquired Shares, the CJJD Parties, or the Divested Entities, in each case, relating to the transactions contemplated by this Agreement including as to (i) merchantability or fitness for any particular use or purpose, (ii) the operation of the business of the Divested Entities after the Closing in any manner or (iii) the probable success or profitability of the business of the Divested Entities after the Closing. ARTICLE IV CJJD Parties' REPRESENTATIONS AND WARRANTIES The CJJD Parties hereby jointly and severally represent and warrant to the Liu Parties, as of the date of this Agreement and as of the Closing Date (except where such representation or warranty is made as of another specific date), as follows:

4.1 Organization; Due Authorization. Each of the CJJD Parties and Jiuxin Investment is duly organized, validly existing and in good standing (or the equivalent thereof) under the Laws of the jurisdiction in which it is incorporated, formed, organized or constituted. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby are within each CJJD Party's corporate or organizational powers and have been duly authorized by all necessary corporate or organizational actions on the part of such Party. This Agreement has been duly executed and delivered by each of the CJJD Parties and, assuming due authorization, execution and delivery by the Liu Parties, this Agreement constitutes a legally valid and binding obligation of each of the CJJD Parties, enforceable against each such Party in accordance with the terms hereof (except as enforceability may be limited by bankruptcy Laws, other similar Laws affecting creditors' rights and general principles of equity affecting the availability of specific performance and other equitable remedies).

4.2 Governmental Approvals. No Consent of or with any Governmental Authority is required to be obtained or made by any CJJD Party in connection with the execution, delivery or performance of this Agreement or the consummation of the transactions contemplated hereby, other than (a) such filings as may be required in any jurisdiction in which such Party is qualified or authorized to do business as a foreign corporation in order to maintain such qualification or authorization, (b) such filings as contemplated by this Agreement, (c) any filings required with Nasdaq with respect to the transactions contemplated by this Agreement, (d) applicable requirements, if any, of the Securities Act, the Securities Exchange Act, and/ or any state securities laws, and the rules and regulations thereunder, or (e) any consents, approvals, authorizations, designations, declarations, waivers or filings, the absence of which would not adversely affect the ability of the CJJD Parties to perform, or otherwise comply with, any of their covenants, agreements or obligations hereunder in any material respect.

4.3 Non-Contravention. The execution and delivery by each CJJD Party of this Agreement and the consummation of the transactions contemplated hereby, and compliance with any of the provisions hereof, will not (a) conflict with or violate any provision of the Organizational Documents of such Party (if any), (b) conflict with or violate any Law, Order or Consent applicable to such Party or any of its properties or assets, or (c) (i) violate, conflict with or result in a breach of, (ii) constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, (iii) result in the termination, withdrawal, suspension, cancellation or modification of, (iv) accelerate the performance required by such Party under, (v) result in a right of termination or acceleration under, (vi) give rise to any obligation to make payments or provide compensation under, (vii) result in the creation of any Lien upon any of the properties or assets of such Party under, (viii) give rise to any obligation to obtain any third party consent or provide any notice to any Person or (ix) give any Person the right to declare a default, exercise any remedy, claim a rebate, chargeback, penalty or change in delivery schedule, accelerate the maturity or performance, cancel, terminate or modify any right, benefit, obligation or other term under, any of the terms, conditions or provisions of, any material Contract of such Party, except, in the case of clause (c) directly above, for any such violation, conflict, breach, default, termination, withdrawal, suspension, cancellation, modification, acceleration, creation or change that would not, individually or in the aggregate, reasonably be expected to prevent or materially delay or impair the CJJD Parties' ability to perform, or otherwise comply with, any of their covenants, agreements or obligations hereunder or to consummate the transactions contemplated hereby.

7 4.4 Legal Proceedings. There is no Action pending or, to the knowledge of the CJJD Parties, threatened against any CJJD Party that questions or challenges the ownership of the Acquired Shares, nor the validity of this Agreement, or that may prevent, delay, make illegal or otherwise interfere with the ability of the CJJD Parties to consummate the transactions contemplated by this Agreement.

4.5 Capitalization of Jiuxin Investment. Renovation is the record and beneficial owner (as defined in the Securities Act) of, and has good, valid and marketable title to, the Acquired Shares, and there exist no Liens or any other limitation or restriction (including any restriction on the right to vote, sell or otherwise dispose of such Acquired Shares (other than transfer restrictions under the Securities Act)) affecting any such Acquired Shares, other than Liens pursuant to (i) this Agreement, (ii) the Organizational Documents of Jiuxin Investment, or (iii) any applicable securities Laws. The Acquired Shares constitute all the issued and outstanding equity of Jiuxin Investment. Other than the Acquired Shares, the CJJD Parties do not hold or own any rights to acquire (directly or indirectly) any equity securities of or any securities convertible into, or which can be exchanged for, equity securities of Jiuxin Investment. All of the Acquired Shares are duly authorized, validly issued, fully paid and non-assessable. Except for this Agreement, neither any CJJD Party nor any other Person related to the CJJD Parties has granted any option in or to any of the Acquired Shares. Except for this Agreement, there are no Contracts in force to which any of the CJJD Parties or any other Person related to the CJJD Parties is a party or bound with respect to the Acquired Shares, including any voting trusts or proxies, registration rights, shareholder or other contracts relating to, binding on or otherwise affecting the Acquired Shares.

4.6 Disclaimer of Other Representations and Warranties. The representations and warranties set forth in ARTICLE IV are the only representations and warranties made by the CJJD Parties with respect to the Acquired Shares, the CJJD Parties or the Divested Entities relating to the transactions contemplated by this Agreement. Except as specifically set forth in ARTICLE IV, and except in the case of Fraud Claim, the CJJD Parties are selling the Acquired Shares to the CJJD Parties as is and where is and with all faults, and makes no warranty, express or implied, as to any matter relating to the Acquired Shares, the CJJD Parties or the Divested Entities, in each case, relating to the transactions contemplated by this Agreement including as to (i) merchantability or fitness for any particular use or purpose, (ii) the operation of the business of the Divested Entities after the Closing in any manner or (iii) the probable success or profitability of the business of the Divested Entities after the Closing.

ARTICLE V Covenants

5.1 Conduct of Business. Unless the Parties shall otherwise consent in writing (such consent not to be unreasonably withheld, conditioned or delayed), during the from the date of this Agreement and continuing until the earlier of the termination of this Agreement in accordance with Section 6.1 or the Closing, except as expressly contemplated by this

Agreement, the Divested Entities shall, and the CJJD Parties shall cause the Divested Entities to, (i) conduct their respective businesses, in all material respects, in the ordinary course of business consistent with past practice, (ii) comply with all Laws applicable to the Divested Entities and their respective businesses, assets and employees, and (iii) take all reasonable measures necessary or appropriate to preserve intact, in all material respects, their respective business organizations, to keep available the services of their respective managers, directors, officers, employees and consultants, to maintain, in all material respects, their existing relationships with material customers and suppliers, and to preserve the possession, control and condition of their respective material assets, all as consistent with past practice.

Â 8 Â 5.2Â PRC Registration. On or prior to the Closing Date, the Parties shall enter into a short-form share transfer agreement, in form and substance reasonably satisfactory to the Parties (the "China Transfer Agreement"), to register the transfer of Acquired Shares with the local State Administration for Industry and Commerce ("SAIC") in accordance with the applicable Laws of the PRC. The Parties shall, in accordance with the provisions herein, within thirty (30) Business Days following the Closing Date, (i) report for filing to, and register the transfer of Acquired Shares and the China Transfer Agreement with, the local SAIC, and obtain a new business license of Jiuxin Investment; and (ii) take all necessary steps to register or file the transfer of Acquired Shares with various government authorities as may be required by the Laws of the PRC. The CJJD Parties, on the one hand, and the Liu Parties, on the other hand, shall offer any assistance and cooperation reasonably required to fulfil and complete those registrations or filings.

Â 5.3Â Resignation by Liu and Qi. On or prior to the Closing Date, each of Liu and Qi shall duly execute and deliver written resignation to resign as a member of the CJJD Board (and from all committees thereof, as applicable) and from any officer position held with CJJD, effective as of the Closing. Subject to the consummation of the Transactions, and effective as of the Closing, Ming Zhao, CJJD's current Chief Financial Officer, shall be appointed as CJJD's interim Chief Executive Officer to hold such office until a permanent Chief Executive Officer is appointed in accordance with the Organizational Documents of CJJD and any applicable Laws.

Â 5.4Â Supply Agreement. On the Closing Date or within fifteen (15) Business Days thereafter, a long-term supply agreement shall be entered into between or among CJJD and the applicable Divested Entities, in form and substance reasonably satisfactory to the Parties, relating to the supply by CJJD (or its subsidiaries) of the pharmaceutical and other healthcare products to such Divested Entities.

Â 5.5Â Support of Transaction. Without limiting any covenant contained in ARTICLE V, the CJJD Parties, on the one hand, and the Liu Parties, on the other hand, shall each, and each shall cause its Affiliates to (a) use reasonable best efforts to cooperate to obtain all material consents and approvals of, and send all notices to, third parties that any Liu Party or CJJD Party or their respective Affiliates are required to obtain or send, as applicable, in order to consummate the transactions contemplated by this Agreement, (b) use reasonable best efforts to, upon the request of any Party to this Agreement and at such requesting Party's expense, deliver such other documents and agreements as the requesting Party may reasonably require for the purpose of carrying out the intent of this Agreement and the transactions contemplated by this Agreement, and (c) take such other action as may be reasonably necessary or as another Party hereto may reasonably request to satisfy the conditions of ARTICLE II or otherwise to comply with this Agreement and to consummate the transactions contemplated by this Agreement as soon as practicable.

Â 9 Â ARTICLE VI TERMINATION AND EXPENSES

Â 6.1Â Termination. This Agreement may be terminated, and the transactions contemplated hereby may be abandoned at any time prior to the Closing as follows: (a) by mutual written consent of Liu and CJJD; (b) by written notice by either Liu or CJJD if a Governmental Authority of competent jurisdiction shall have issued an Order or taken any other action permanently restraining, enjoining or otherwise prohibiting the transactions contemplated by this Agreement, and such Order or other action has become final and non-appealable; provided, however, that the right to terminate this Agreement pursuant to this Section 6.1(b) shall not be available to a Party if the failure by such Party or its Affiliates to comply with any provision of this Agreement has been a substantial cause of, or substantially resulted in, such action by such Governmental Authority; (c) by written notice by either Liu or CJJD if the Acquisition Agreement is terminated in accordance with its terms; (d) by CJJD (so long as neither CJJD Party is then in material breach of any of its representations, warranties or covenants contained in this Agreement) if there has been a breach of any of the Liu Parties' representations, warranties or covenants contained in this Agreement, which would result in the failure of a condition set forth in Section 2.1 or Section 2.3, and which breach is incapable of being cured or, if capable of being cured, has not been cured within thirty (30) days after written notice of the breach has been delivered to Liu from CJJD; or (e) by Liu (so long as neither Liu Party is then in material breach of any of its representations, warranties or covenants contained in this Agreement) if there has been a breach of any of the CJJD Parties' representations, warranties or covenants contained in this Agreement, which would result in the failure of a condition set forth in Section 2.1 or Section 2.2, and which breach is incapable of being cured or, if capable of being cured, has not been cured within thirty (30) days after written notice of the breach has been delivered to CJJD from Liu.

Â 6.2Â Effect of Termination. This Agreement may only be terminated in the circumstances described in Section 6.1 and pursuant to a written notice delivered by the applicable Party to the other applicable Parties, which sets forth the basis for such termination, including the provision of Section 6.1 under which such termination is made. In the event of the valid termination of this Agreement pursuant to Section 6.1, this Agreement shall forthwith become void, and there shall be no Liability on the part of any Party or any of their respective Representatives, and all rights and obligations of each Party shall cease, except that the provisions of this Section 6.2 and ARTICLE IX shall survive any termination of this Agreement. Nothing herein shall relieve any Party from Liability for any willful breach of any representation, warranty, covenant or obligation under this Agreement or any Fraud Claim against such Party, in either case, prior to termination of this Agreement. Without limiting the foregoing, and except as provided in this ARTICLE VI, the Parties' sole right prior to the Closing with respect to any breach of any representation, warranty, covenant or other agreement contained in this Agreement by another Party or with respect to the transactions contemplated by this Agreement shall be the right, if applicable, to terminate this Agreement pursuant to Section 6.1.

Â 10 Â 6.3Â Fees and Expenses. All Expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such expenses. As used in this Agreement, "Expenses" shall include all out-of-pocket expenses (including all fees and expenses of counsel, accountants, investment bankers, financial advisors, financing sources, experts and consultants to a Party hereto or any of its Affiliates) incurred by a Party or on its behalf in connection with or related to the authorization, preparation, negotiation, execution or performance of this Agreement or any other certificates, documents, instruments and undertakings related hereto and all other matters related to the consummation of this Agreement.

Â ARTICLE VII RELEASES

Â 7.1Â Release and Covenant Not to Sue. Effective as of the Closing, to the fullest extent permitted by applicable Law, the Liu Parties, on behalf of themselves and their respective Affiliates (including, from and after the Closing Date, the Divested Entities) (collectively, the "Releasing Persons"), will

release and discharge the CJJD Parties and their respective Affiliates from and against any and all Actions, obligations, agreements, debts and Liabilities whatsoever, whether known or unknown, both at law and in equity, which such Releasing Person now has, has ever had or may hereafter have against the CJJD Parties or their respective Affiliates arising on or prior to the Closing Date or on account of or arising out of any matter occurring on or prior to the Closing Date, including any rights to indemnification or reimbursement from the CJJD Parties or their respective Affiliates, whether pursuant to its Organizational Documents, Contract or otherwise, and whether or not relating to claims pending on, or asserted after, the Closing Date, except for any outstanding receivables or other Liability pursuant to Contracts entered into by any CJJD Party and any Divested Entity in the ordinary course of business. From and after the Closing, each Releasing Person hereby irrevocably covenants to refrain from, directly or indirectly, asserting any Action, or commencing or causing to be commenced, any Action of any kind against the CJJD Parties or any of their respective Affiliates, based upon any matter purported to be released hereby. Notwithstanding anything herein to the contrary, the releases and restrictions set forth herein shall not apply to any claims a Releasing Person may have against any party pursuant to the terms and conditions of this Agreement.

ARTICLE VIII SURVIVAL AND INDEMNIFICATION

8.1 Survival. All representations and warranties of the Liu Parties contained in this Agreement (including all schedules and exhibits hereto and all certificates, documents, instruments and undertakings furnished pursuant to this Agreement) shall survive the Closing through and until the second (2nd) anniversary of the Closing Date. Additionally, Fraud Claims against any Liu Party shall survive indefinitely. If written notice of a claim for breach of any representation or warranty has been given before the applicable date when such representation or warranty no longer survives in accordance with this Section 8.1, then the relevant representations and warranties shall survive as to such claim, until the claim has been finally resolved. All covenants, obligations and agreements of the Liu Parties contained in this Agreement (including all schedules and exhibits hereto and all certificates, documents, instruments and undertakings furnished pursuant to this Agreement), including any indemnification obligations, shall survive the Closing and continue until fully performed in accordance with their terms. For the avoidance of doubt, a claim for indemnification under any subsection of Section 8.2 other than clauses (i) or (ii) thereof may be made at any time.

8.2 Indemnification by the Liu Parties. Subject to the terms and conditions of this ARTICLE VIII, from and after the Closing, the Liu Parties and their respective successors and assigns (with respect to any claim made under this Section 8.2, the "Indemnifying Parties") will jointly and severally indemnify, defend and hold harmless the CJJD Parties and their respective Affiliates and their respective officers, directors, managers, employees, successors and permitted assigns (with respect to any claim made under this Section 8.2, the "Indemnified Parties") from and against any and all losses, Actions, Orders, Liabilities, damages (including consequential damages), diminution in value, Taxes, interest, penalties, Liens, amounts paid in settlement, costs and expenses (including reasonable expenses of investigation and court costs and reasonable attorneys' fees and expenses), (any of the foregoing, a "Loss") paid, suffered or incurred by, or imposed upon, any Indemnified Party to the extent arising in whole or in part out of or resulting directly or indirectly from (whether or not involving a Third Party Claim): (i) the breach of any representation or warranty made by any Liu Party set forth in this Agreement or in any certificate delivered by any Liu Party pursuant to this Agreement; (ii) the breach of any covenant or agreement on the part of any Liu Party set forth in this Agreement or in any certificate delivered by the Liu Parties pursuant to this Agreement; or (iii) any Fraud Claims.

8.3 Limitations and General Indemnification Provisions. (a) Solely for purposes of determining the amount of Losses under this ARTICLE VIII (and, for the avoidance of doubt, not for purposes of determining whether there has been a breach giving rise to the indemnification claim), all of the representations, warranties and covenants set forth in this Agreement (including all schedules and exhibits hereto and all certificates, documents, instruments and undertakings furnished pursuant to this Agreement) that are qualified by materiality or words of similar import or effect will be deemed to have been made without any such qualification. (b) No investigation or knowledge by an Indemnified Party its Representatives of a breach of a representation, warranty, covenant or agreement of an Indemnifying Party shall affect the representations, warranties, covenants and agreements of the Indemnifying Party or the recourse available to the Indemnified Parties under any provision of this Agreement, including this ARTICLE VIII, with respect thereto. (c) The amount of any Losses suffered or incurred by any Indemnified Party shall be reduced by the amount of any insurance proceeds actually paid to the Indemnified Party or any Affiliate thereof as a reimbursement with respect to such Losses (and no right of subrogation shall accrue to any insurer hereunder, except to the extent that such waiver of subrogation would prejudice any applicable insurance coverage), net of the costs of collection and the increases in insurance premiums resulting from such Loss or insurance payment.

8.4 Indemnification Procedures. (a) The then Chief Executive Officer of CJJD (the "CJJD Representative") shall have the sole right to act on behalf of the Indemnified Parties with respect to any indemnification claims made pursuant to this ARTICLE VIII, including bringing and settling any claims hereunder and receiving any notices on behalf of the Indemnified Parties. Liu (the "Indemnifying Representative") shall have the sole right to act on behalf of the Indemnifying Parties with respect to any indemnification claims made pursuant to this ARTICLE VIII, including defending and settling any claims hereunder and receiving any notices on behalf of the Indemnifying Parties. (b) In order to make a claim for indemnification hereunder, the CJJD Representative on behalf of an Indemnified Party must provide written notice (a "Claim Notice") of such claim to the Indemnifying Representative on behalf of the Indemnifying Parties, which Claim Notice shall include (i) a reasonable description of the facts and circumstances which relate to the subject matter of such indemnification claim to the extent then known and (ii) the amount of Losses suffered by the Indemnified Party in connection with the claim to the extent known or reasonably estimable (provided, that the CJJD Representative may thereafter in good faith adjust the amount of Losses with respect to the claim by providing a revised Claim Notice to Indemnifying Representative). (c) In the case of any claim for indemnification under this ARTICLE VIII arising from a claim of a third party (including any Governmental Authority) (a "Third Party Claim"), the CJJD Representative must give a Claim Notice with respect to such Third Party Claim to the Indemnifying Representative promptly (but in no event later than thirty (30) days) after the Indemnified Party's receipt of notice of such Third Party Claim; provided, that the failure to give such notice will not relieve the Indemnifying Party of its indemnification obligations except to the extent that the defense of such Third Party Claim is materially and irrevocably prejudiced by the failure to give such notice. The Indemnifying Representative will have the right to defend and to direct the defense against any such Third Party Claim, at its expense and with counsel selected by Indemnifying Representative, unless (i) the Indemnifying Representative fails to acknowledge fully to the CJJD Representative the obligations of the Indemnifying Parties to such Indemnified Party within twenty (20) days after receiving notice of such Third Party Claim or contests, in whole or in part, its indemnification obligations therefor or (ii) at any time while such Third Party Claim is pending, (A) there is a conflict of interest between the Indemnifying

Representative on behalf of the Indemnifying Parties and the CJJD Representative on behalf of the Indemnified Party in the conduct of such defense, (B) the applicable third party alleges a Fraud Claim or (C) such claim is criminal in nature, could reasonably be expected to lead to criminal proceedings, or seeks an injunction or other equitable relief against the Indemnified Parties. If the Indemnifying Representative on behalf of the Indemnifying Parties elects, and is entitled, to compromise or defend such Third Party Claim, it will within twenty (20) days (or sooner, if the nature of the Third Party Claim so requires) notify the CJJD Representative of its intent to do so, and Indemnifying Representative and the Indemnified Party will, at the request and expense of Indemnifying Representative, cooperate in the defense of such Third Party Claim. If Indemnifying Representative on behalf of the Indemnifying Parties elects not to, or at any time is not entitled under this Section 8.4 to, compromise or defend such Third Party Claim, fails to notify the CJJD Representative of its election as herein provided or refuses to acknowledge or contests its obligation to indemnify under this Agreement, the CJJD Representative on behalf of the Indemnified Party may pay, compromise or defend such Third Party Claim. Notwithstanding anything to the contrary contained herein, the Indemnifying Parties will have no indemnification obligations with respect to any such Third Party Claim which is settled by the Indemnified Party or the CJJD Representative without the prior written consent of Indemnifying Representative on behalf of the Indemnifying Parties (which consent will not be unreasonably withheld, delayed or conditioned); provided, however, that notwithstanding the foregoing, the Indemnified Party will not be required to refrain from paying any Third Party Claim which has matured by a final, non-appealable Order, nor will it be required to refrain from paying any Third Party Claim where the delay in paying such claim would result in the foreclosure of a Lien upon any of the property or assets then held by the Indemnified Party or where any delay in payment would cause the Indemnified Party material economic loss. The Indemnifying Representative's right on behalf of the Indemnifying Parties to direct the defense will include the right to compromise or enter into an agreement settling any Third Party Claim; provided, that no such compromise or settlement will obligate the Indemnified Party to agree to any settlement that requires the taking or restriction of any action (including the payment of money and competition restrictions) by the Indemnified Party other than the execution of a release for such Third Party Claim and/or agreeing to be subject to customary confidentiality obligations in connection therewith, except with the prior written consent of the CJJD Representative on behalf of the Indemnified Party (such consent to be withheld, conditioned or delayed only for a good faith reason). Notwithstanding the Indemnifying Representative's right on behalf of the Indemnifying Parties to compromise or settle in accordance with the immediately preceding sentence, the Indemnifying Representative on behalf of Indemnifying Parties may not settle or compromise any Third Party Claim over the objection of the CJJD Representative on behalf of the Indemnified Party; provided, however, that consent by the CJJD Representative on behalf of the Indemnified Party to settlement or compromise will not be unreasonably withheld, delayed or conditioned. The CJJD Representative on behalf of the Indemnified Party will have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Indemnifying Representative's right on behalf of the Indemnifying Parties to direct the defense. 13

(d) With respect to any direct indemnification claim that is not a Third Party Claim, the Indemnifying Representative on behalf of the Indemnifying Parties will have a period of thirty (30) days after receipt of the Claim Notice to respond thereto. If Indemnifying Representative on behalf of Indemnifying Parties does not respond within such thirty (30) days, the Indemnifying Representative on behalf of the Indemnifying Parties will be deemed to have accepted responsibility for the Losses set forth in such Claim Notice subject to the limitations on indemnification set forth in this ARTICLE VIII and will have no further right to contest the validity of such Claim Notice. If Indemnifying Representative on behalf of Indemnifying Parties responds within such thirty (30) days after the receipt of the Claim Notice and rejects such claim in whole or in part, the CJJD Representative on behalf of the Indemnified Party will be free to pursue such remedies as may be available under this Agreement or applicable Law. 8.5 Exclusive Remedy. From and after the Closing, except with respect to Fraud Claims related to the negotiation or execution of this Agreement or claims seeking injunctions or specific strict performance, indemnification pursuant to this ARTICLE VIII shall be the sole and exclusive remedy for the Parties with respect to matters arising under this Agreement of any kind or nature, including for any misrepresentation or breach of any warranty, covenant, or other provision contained in this Agreement or in any certificate or instrument delivered pursuant to this Agreement or otherwise relating to the subject matter of this Agreement, including the negotiation and discussion thereof. ARTICLE IX MISCELLANEOUS 9.1 Notices. All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given when delivered in person or upon confirmation of receipt (or, in the case of electronic mail, when no error message is generated) when transmitted by facsimile transmission or by electronic mail or on receipt after dispatch by registered or certified mail, postage prepaid, addressed, or on the next Business Day if transmitted by international overnight courier, in each case to the Parties at the following addresses (or at such other address for a Party as shall be specified by like notice): (a) If to any Liu Parties, to: Renxin Yaju Building 5 Floor 4, Gong Shu District Hangzhou City, Zhejiang Province People's Republic of China, 310008 Attention: Lei Liu Email: jzll@vip.126.com (b) If to any CJJD Party, to: Renxin Yaju Building 5 Floor 4, Gong Shu District Hangzhou City, Zhejiang Province People's Republic of China, 310008 Attention: Frank Zhao Email: frank.zhao@jojodrugstores.com 9.2 Binding Effect; Assignment. This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns. This Agreement shall not be assigned by operation of Law or otherwise without the prior written consent of the Parties, and any assignment without such consent shall be null and void; provided that no such assignment shall relieve the assigning Party of its obligations hereunder. 9.3 Third Parties. Nothing contained in this Agreement or in any instrument or document executed by any party in connection with the transactions contemplated hereby shall create any rights in, or be deemed to have been executed for the benefit of, any Person that is not a Party hereto or thereto or a successor or permitted assign of such a Party. 14 9.4 Governing Law; Jurisdiction. (a) This Agreement shall be governed by, construed and enforced in accordance with the Laws of the State of New York, without regard to the conflict of laws principles thereof that would require or permit the application of Laws of another jurisdiction, except Sections 5-1401 and 5-1402 of the New York General Obligations Law. (b) Any Action arising out of or in any way relating to this Agreement shall be submitted to the Hong Kong International Arbitration Centre (HKIAC) and resolved in accordance with the HKIAC Administered Arbitration Rules in force at the relevant time and as may be amended by this Section 9.4 (the HKIAC Rules). The place of arbitration shall be Hong Kong. The official language of the arbitration shall be English and the tribunal shall consist of three arbitrators (each, an Arbitrator). The claimant(s), irrespective of number, shall nominate jointly one Arbitrator; the respondent(s), irrespective of number, shall nominate jointly one Arbitrator; and a third Arbitrator will be nominated jointly by the first two Arbitrators and shall serve as chairman of the arbitration tribunal. In the event the claimant(s) or respondent(s) or the first two Arbitrators shall fail to nominate

or agree the joint nomination of an Arbitrator or the third Arbitrator within the time limits specified by the HKIAC Rules, such Arbitrator shall be appointed promptly by the HKIAC. The arbitration tribunal shall have no authority to award punitive or other punitive-type damages. The award of the arbitration tribunal shall be final and binding upon the disputing Parties. Any party to an award may apply to any court of competent jurisdiction for enforcement of such award and, for purposes of the enforcement of such award, the Parties irrevocably and unconditionally submit to the jurisdiction of any court of competent jurisdiction and waive any defenses to such enforcement based on lack of personal jurisdiction or inconvenient forum. Â (c)Â Notwithstanding the foregoing, the Parties hereby consent to and agree that in addition to any recourse to arbitration as set out in this Section 9.4, any Party may, to the extent permitted under the rules and procedures of the HKIAC, seek an interim injunction or other form of relief from the HKIAC as provided for in its HKIAC Rules. Such application shall also be governed by, and construed in accordance with, the Laws of the State of New York. Nothing in this Section 9.4 shall be construed as preventing any Party from seeking conservatory or interim relief (including injunction, specific performance or other similar or comparable forms of equitable relief) from any court of competent jurisdiction pending final determination of the dispute by the arbitral tribunal. Â 9.5Â Enforcement. The parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, each of the parties shall be entitled to seek specific performance of the terms hereof, including an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, this being in addition to any other remedy to which the parties are entitled at law or in equity. Â 9.6Â Publicity. None of the Liu Parties, on the one hand, and the CJJD Parties, on the other hand, without the written consent of the other Parties, as the case may be, shall make any press releases or other communications to any third party (other than such Party's Representatives who need to know such information for the sole purpose of assisting such Party to evaluate its possible participation in the transactions contemplated by this Agreement, if such Party advises such Representatives of the confidentiality obligations hereunder and shall ensure that such Representatives complies with) relating to this Agreement or the transactions contemplated by this Agreement; provided, however, that the restriction in this Section 9.5 shall not apply to the extent the announcement or communication is required by applicable securities Laws, any Governmental Authority or stock exchange rule; provided, further, that in such an event, any Liu Party or CJJD Party, as the case may be, making the announcement or communication shall use its commercially reasonable efforts to consult with CJJD or Liu, as the case may be, in advance as to the form, content and timing of such announcement or communication. Â 15 Â Â 9.7Â Severability. In case any provision in this Agreement shall be held invalid, illegal or unenforceable in a jurisdiction, such provision shall be modified or deleted, as to the jurisdiction involved, only to the extent necessary to render the same valid, legal and enforceable, and the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby nor shall the validity, legality or enforceability of such provision be affected thereby in any other jurisdiction. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties will substitute for any invalid, illegal or unenforceable provision a suitable and equitable provision that carries out, so far as may be valid, legal and enforceable, the intent and purpose of such invalid, illegal or unenforceable provision. Â 9.8Â Amendment. This Agreement may be amended, supplemented or modified only by execution of a written instrument signed by the Parties. Â 9.9Â Entire Agreement. This Agreement and the documents or instruments referred to herein, including any exhibits, annexes and schedules attached hereto, which exhibits, annexes and schedules are incorporated herein by reference, embody the entire agreement and understanding of the Parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants or undertakings, other than those expressly set forth or referred to herein or the documents or instruments referred to herein, which collectively supersede all prior agreements and the understandings among the Parties with respect to the subject matter contained herein. Â 9.10Â Counterparts. This Agreement may be executed and delivered (including by facsimile or other electronic transmission) in one or more counterparts, and by the different Parties hereto in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Â ARTICLEÂ X DEFINITIONS Â 10.1Â Certain Definitions. For purpose of this Agreement, the following capitalized terms have the following meanings: Â "Action" means any notice of noncompliance or violation, or any claim, demand, charge, action, suit, litigation, audit, settlement, complaint, stipulation, assessment or arbitration, or any request (including any request for information), inquiry, hearing, proceeding or investigation, by or before any Governmental Authority. Â "Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person. Â 16 Â Â "Business Days" means any day other than a Saturday, Sunday or another day on which the banks in New York City, the Cayman Islands, Hong Kong or the PRC are authorized by Law or executive order to be closed. Â "Consent" means any consent, approval, waiver, authorization or permit of, or notice to or declaration or filing with, any Governmental Authority or any other Person. Â "Contracts" means all contracts, agreements, binding arrangements, bonds, notes, indentures, mortgages, debt instruments, purchase order, licenses, franchises, leases and other instruments or obligations of any kind, written or oral (including any amendments and other modifications thereto). Â "Control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise. "Controlled", "Controlling" and "under common Control with" have correlative meanings. Without limiting the foregoing a Person (the "Controlled Person") shall be deemed Controlled by (a) any other Person (the "10% Owner") (i) owning beneficially, as meant in Rule 13d-3 under the Exchange Act, securities entitling such Person to cast ten percent (10%) or more of the votes for election of directors or equivalent governing authority of the Controlled Person or (ii) entitled to be allocated or receive ten percent (10%) or more of the profits, losses, or distributions of the Controlled Person; (b) an officer, director, general partner, partner (other than a limited partner), manager, or member (other than a member having no management authority that is not a 10% Owner) of the Controlled Person; or (c) a spouse, parent, lineal descendant, sibling, aunt, uncle, niece, nephew, mother-in-law, father-in-law, sister-in-law, or brother-in-law of an Affiliate of the Controlled Person or a trust for the benefit of an Affiliate of the Controlled Person or of which an Affiliate of the Controlled Person is a trustee. Â "Fraud Claim" means any claim based in whole or in part upon fraud, willful misconduct or intentional misrepresentation. Â "Governmental Authority" means any federal, state, territorial, local, foreign or other governmental, quasi-governmental or administrative body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body. Â "Law" means any federal, state, territorial, local, municipal, foreign or other law, statute, legislation, principle of

common law, ordinance, code, edict, decree, proclamation, treaty, convention, rule, regulation, directive, requirement, writ, injunction, settlement, Order or Consent that is or has been issued, enacted, adopted, passed, approved, promulgated, made, implemented or otherwise put into effect by or under the authority of any Governmental Authority. "Liabilities" means any and all liabilities, indebtedness, Actions or obligations of any nature (whether absolute, accrued, contingent or otherwise, whether known or unknown, whether direct or indirect, whether matured or unmatured and whether due or to become due), including Tax liabilities due or to become due. "Lien" means any mortgage, pledge, security interest, attachment, right of first refusal, option, proxy, voting trust, encumbrance, lien or charge of any kind (including any conditional sale or other title retention agreement or lease in the nature thereof), restriction (whether on voting, sale, transfer, disposition or otherwise), any subordination arrangement in favor of another Person, any filing or agreement to file a financing statement as debtor under the Uniform Commercial Code or any similar Law. "Material Adverse Effect" means any change, effect, development, circumstance, condition, state of facts, event or occurrence (an "Effect") that, individually or in the aggregate, is or would reasonably be expected to have, a material adverse effect on (a) the assets, properties, Liabilities, condition (financial or otherwise), business or results of operations of the Divested Entities, taken as a whole, or (b) the ability of the CJJD Parties to consummate the transactions contemplated hereby; provided, however, that for the purposes of clause (a), any Effect to the extent resulting or arising from the following shall not be deemed to constitute a Material Adverse Effect or be taken into account when determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur: (a) conditions (or changes therein) that are the result of factors generally affecting any industry or industries in which the Divested Entities operates, (b) general economic, political and/or regulatory conditions (or changes therein), including any changes affecting financial, credit or capital market conditions, including changes in interest or exchange rates, (c) any change in GAAP or interpretation thereof, (d) any adoption, implementation, promulgation, repeal, modification, amendment, reinterpretation, or other change in any applicable Law of or by any Governmental Authority, (e) any actions taken, or the failure to take any action, as required by the terms of this Agreement or at the written request or with the written consent of the Liu Parties, (f) the negotiation, execution or announcement of this Agreement, the Acquisition Agreement and the Transactions, including any litigation arising therefrom and any adverse change in relationship with any customer, employee (including employee departures), supplier, financing source or joint venture partner resulting therefrom, (g) changes in the price or trading volume of the Ordinary Shares (it being understood that this clause (g) shall not include the facts or occurrences giving rise or contributing to such changes in the price or trading volume of the Ordinary Shares), (h) any failure by the Divested Entities to meet any internal or published projections, estimates or expectations of the Divested Entities' revenue, earnings or other financial performance or results of operations for any period (it being understood that this clause (h) shall not include the facts or occurrences giving rise or contributing to such failure to meet any projections, estimates or expectations), (i) epidemic-induced public health crises, changes in geopolitical conditions, acts of terrorism or sabotage, war (whether or not declared), the commencement, continuation or escalation of a war, acts of armed hostility, earthquakes, tornados, hurricanes, or other weather conditions or natural calamities or other force majeure events, including any material worsening of such conditions threatened or existing as of the date of this Agreement, and (j) effects resulting solely from the identity of any Party, or any of their respective Affiliates; provided that any Effect described in clauses (a), (b), (c), (d), and (i) shall be taken into account in determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur if it has a disproportionate effect on the Divested Entities compared to other participants in the industry or industries in which the Divested Entities operate, in which case the incremental materially disproportionate impact or impacts may be taken into account in determining whether there has been a Material Adverse Effect. "Order" means any order, decree, ruling, judgment, injunction, writ, determination, binding decision, verdict, judicial or arbitration award or other action that is or has been made, entered, rendered, or otherwise put into effect by or under the authority of any Governmental Authority. "Ordinary Shares" means the ordinary shares of CJJD, par value \$0.24 per share. "Organizational Documents" means the articles of incorporation, articles of association, certificate of incorporation, certificate of registration, charter, by-laws, articles of formation, certificate of formation, regulations, operating agreement, memorandum of association, certificate of limited partnership, partnership agreement and all other similar documents, instruments or certificates executed, adopted or filed in connection with the creation, formation or organization of a Person, including any amendments thereto. "Person" means an individual, corporation, company, exempted company, partnership (including a general partnership, limited partnership or limited liability partnership), limited liability company, association, trust or other entity or organization, including a government, domestic or foreign, or political subdivision thereof, or an agency or instrumentality thereof. "Representative" means, as to any Person, such Person's Affiliates and its and their members, managers, partners, operating partners, directors, officers, employees, agents and advisors (including financial advisors, consultants, counsels and accountants). "Shareholder Approval" means an ordinary resolution (as defined in CJJD's Organizational Documents) passed by affirmative vote of the holders of the Ordinary Shares representing at least a simple majority of the votes cast by all the Unaffiliated CJJD Shareholders that present in person or by proxy at the Shareholder Meeting, to approve and authorize this Agreement and the transactions contemplated by this Agreement. "Shareholder Meeting" means the meeting of the holders of Ordinary Shares for the purpose of seeking the Shareholder Approval, including any postponement or adjournment thereof. "Taxes" means (a) all direct or indirect federal, state, territorial, local, foreign and other net income, gross income, gross receipts, sales, use, value-added, ad valorem, transfer, franchise, profits, license, lease, service, service use, withholding, payroll, employment, social security and related contributions due in relation to the payment of compensation to employees, excise, severance, stamp, occupation, premium, property, windfall profits, alternative minimum, estimated, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties, additions to tax or additional amounts with respect thereto, (b) any Liability for payment of amounts described in clause (a) whether as a result of being a member of an affiliated, consolidated, combined or unitary group for any period or otherwise through operation of law and (c) any Liability for the payment of amounts described in clauses (a) or (b) as a result of any tax sharing, tax group, tax indemnity or tax allocation agreement with, or any other express or implied agreement to indemnify, any other Person. "Unaffiliated CJJD Shareholders" means the holders of Ordinary Shares, excluding those Ordinary Shares held, directly or indirectly, by or on behalf of any Liu Party or their respective Affiliates. [REMAINDER OF PAGE INTENTIONALLY LEFT BLANK; SIGNATURE PAGES FOLLOW] "19" IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be signed and delivered by its respective duly authorized officer as of the date first written above. CHINA JO-JO DRUGSTORES, INC. By: /s/ Ming Zhao Name: Ming Zhao Title:

Chief Financial Officer

RENOVATION INVESTMENT (HONG KONG) CO., LTD. By: /s/ Lei Liu

Name: Lei Liu Title: Director [Signature Page to Equity Exchange Agreement (Divestiture Transaction)]

/s/ Lei Liu Lei Liu /s/ Li Qi Li Qi OAKVIEW INTERNATIONAL LIMITED By: /s/ Lei Liu

Name: Lei Liu Title: Director [Signature Page to Equity Exchange Agreement (Divestiture Transaction)]

EX-99.1 4 ea022954901ex99-1\_china.htm PRESS RELEASE, DATED FEBRUARY 3, 2025 Exhibit 99.1 China Jo-Jo Drugstores

Announces Strategic Business Restructuring to Strengthen Wholesale Business for Greater Profitability and Growth HANGZHOU, China, February 3, 2025 /PRNewswire/ -- China Jo-Jo Drugstores, Inc. (Nasdaq: CJJJ) (the "Company" or the "Company"), a leading online and offline retailer, wholesale distributor of pharmaceutical and other healthcare products and healthcare provider in China, today announced it has entered into definitive agreements for a strategic restructuring initiative to transition into an asset-light, wholesale-focused company, streamlining operations and enhancing profitability. The restructuring involved two major transactions (the "Transactions"):

- Acquisition transaction: The acquisition of Allright (Hangzhou) Internet Technology Co. Ltd. (the "Allright"), a fast-growing company engaged in the pharmaceutical wholesale business, through an equity exchange for the issuance of 2,225,000 ordinary shares, which represents 38% of issued and outstanding ordinary shares of the Company after giving effect to the Transactions; and
- Divestiture transaction: The sale of Jo-Jo Drugstores' drug retail business to Lei Liu, the current CEO and a director, and Li Qi, a director of the Company, who, together with their affiliates, currently owns approximately 41% of outstanding ordinary shares of the Company, in exchange for a surrender to the Company all shares held by Liu, Qi and their affiliates in the Company totaling 2,548,353 ordinary shares. The Transactions are expected to close during the first quarter of 2025, subject to customary closing conditions, including approval by the shareholders of Jo-Jo Drugstores. Following the closing of the Transactions, Liu and Qi are expected to resign from the Board and any other position (including the CEO) of the Company, and the ultimate shareholder of Allright, Lingtao Kong, will join the Board. The parties agree that Frank Zhao, the Company's current CFO, will assume the role of interim CEO to ensure the continued operation of the business and integration of Allright's business. Mr. Lei Liu, Chairman and CEO of Jo-Jo Drugstores, commented, "This restructuring marks a pivotal moment for CJJJ as we transition from a high-cost retail segment to a wholesale-focused model. While I will be shifting my focus to the retail business, an area where I have deep expertise, I believe this transformation will enhance operational efficiency and create long-term value for CJJJ's shareholders. I look forward to seeing the wholesale business thrive under the new leadership." Mr. Lingtao Kong, the ultimate shareholder of Allright and incoming board member, stated, "I am excited to join forces with CJJJ as we build a stronger wholesale platform. Allright's growth trajectory aligns well with CJJJ's strategic vision, and I am confident that our combined expertise will create new opportunities for expansion and success in the pharmaceutical wholesale market." Mr. Frank Zhao, the current CFO and incoming interim CEO, added, "I am honored to take on this role as interim CEO during this transformative period. I want to thank Mr. Liu for his leadership and dedication in building CJJJ into the strong company it is today. As we transition to a wholesale-driven model, I look forward to working closely with Mr. Kong and our team to execute our strategic vision and ensure a seamless integration of Allright's business. Our focus will remain on strengthening our wholesale operations, improving efficiency, and positioning CJJJ for long-term success."

About China Jo-Jo Drugstores, Inc. China Jo-Jo Drugstores, Inc. (the "Company" or the "Company"), is a leading online and offline retailer and wholesale distributor of pharmaceutical and other healthcare products and a provider of healthcare services in China. Jo-Jo Drugstores currently operates an online pharmacy and retail drugstores with licensed doctors on site for consultation, examination and treatment of common ailments at scheduled hours. It is also a wholesale distributor of products similar to those carried in its pharmacies. For more information about the Company, please visit <http://jiuzhou360.com>. The Company routinely posts important information on its website.

Forward-Looking Statements This press release contains information about the Company's view of its future expectations, plans and prospects that constitute forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact contained in press release, including statements regarding the benefits of the proposed Transactions and the anticipated timing of the completion of the proposed Transactions, are forward-looking statements. Some of these forward-looking statements can be identified by the use of forward-looking words, including "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "plan," "targets," "projects," "could," "would," "will," "continue," "forecast" or the negatives of these terms or variations of them or similar expressions. All forward-looking statements are based upon estimates, forecasts and assumptions that, while considered reasonable by the Company and its management, are inherently uncertain. Actual results may differ materially from historical results or those indicated by these forward-looking statements as a result of a variety of factors including, but not limited to, risks and uncertainties associated with the Company's ability to complete the Transactions in a timely manner or at all, its ability to implement its business plans and strategies, its ability to raise additional funding, its ability to maintain and grow its business, fluctuations in wholesale pricing and demand for pharmaceutical products, variability of operating results, its ability to maintain and enhance its brand, its development and introduction of new products and services, the successful integration of acquired companies, technologies and assets into its portfolio of products and services, marketing and other business development initiatives, its relationships with suppliers and healthcare providers, competition in the industry, general government regulation, economic conditions, dependence on key personnel, the ability to attract, hire and retain personnel who possess the technical skills and experience necessary to meet the requirements of its clients, and its ability to protect its intellectual property. The Company encourages you to review other risk factors that may affect its future results in the Company's annual reports and in its other filings with the Securities and Exchange Commission (the "SEC"). You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Company does not give any assurance that the post-combination company will achieve its expected results. The Company does not undertake any duty to update these forward-looking statements, except as otherwise required by law.

2 Important Information About the Proposed Transactions and Where to Find It This press release relates to certain proposed Transactions involving Jo-Jo Drugstores. The Company will file a proxy statement with the SEC in connection with the Transactions. A proxy statement will be sent to all Company shareholders as of the applicable record date established for voting on the Transactions. The Company will also file other documents regarding the Transactions with the SEC. Before making any voting decision, shareholders are urged to read the proxy statement, any amendments thereto, and all other relevant documents filed or that will be filed with the SEC in connection with the Transactions as they become available

because they will contain important information about the Company and the Transactions. Investors and shareholders will be able to obtain free copies of the proxy statement and all other relevant documents filed or that will be filed with the SEC by the Company through the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). The documents filed by the Company with the SEC also may be obtained free of charge at the Company's website at [http://jiuzhou360.com/investors/sec\\_filings](http://jiuzhou360.com/investors/sec_filings). NEITHER THE SEC NOR ANY STATE SECURITIES REGULATORY AGENCY HAS APPROVED OR DISAPPROVED THE TRANSACTIONS DESCRIBED IN THIS COMMUNICATION, PASSED UPON THE MERITS OR FAIRNESS OF THE TRANSACTION OR RELATED TRANSACTIONS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS COMMUNICATION. ANY REPRESENTATION TO THE CONTRARY CONSTITUTES A CRIMINAL OFFENSE. No Offer or Solicitation This press release is neither a solicitation of a proxy, an offer to purchase nor a solicitation of an offer to sell any securities and it is not a substitute for any proxy statement or other filings that may be made with the SEC should the proposed Transactions proceed. For more information, please contact: Company Contact: Frank Zhao Chief Financial Officer +86-571-88077108 [frank.zhao@jojodrugstores.com](mailto:frank.zhao@jojodrugstores.com) Investor Relations Contact: Tina Xiao Ascent Investor Relations LLC +1-646-932-7242 [investors@ascent-ir.com](mailto:investors@ascent-ir.com) 3