

# SECURITIES AND EXCHANGE COMMISSION

## FORM 6-K

Current report of foreign issuer pursuant to Rules 13a-16 and 15d-16 Amendments

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### FILER

#### **Paranovus Entertainment Technology Ltd.**

CIK: **1751876** | IRS No.: **000000000** | State of Incorporation: **E9** | Fiscal Year End: **0331**  
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SIC: **2833** Medicinal chemicals & botanical products

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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16  
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of March 2023

**PARANOVUS ENTERTAINMENT TECHNOLOGY LTD.**  
(Exact name of registrant as specified in its charter)

**No. 11, Dongjiao East Road, Shuangxi, Shunchang, Nanping City  
Fujian Province, People's Republic of China  
+86-0599-782-8808  
(Address of Principal Executive Office)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form40-F.

Form 20-F  Form40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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**CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This Current Report on Form 6-K, including the sections entitled “Business,” and “Risk Factors,” contains express or implied forward-looking statements that are based on our management’s belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future operational or financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements in this Current Report on Form 6-K include, but are not limited to, statements about:

- the implementation of our strategic plans for our business;
- our financial performance;
- developments relating to our competitors and our industry, including the impact of government regulation;
- estimates of our expenses, future revenues, capital requirements and our needs for additional financing; and
- other risks and uncertainties, including those listed under the captions “Business,” and “Risk Factors”.

In some cases, forward-looking statements can be identified by terminology such as “may,” “should,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue,” “could,” “project,” “intend,” “will,” “will be,” “would,” or the negative of these terms or other comparable terminology and expressions. However, this is not an exclusive way of identifying such statements. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things,

those listed under the section entitled “Risk Factors” and elsewhere in this Current Report on Form 6-K. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this Current Report on Form 6-K and the documents that we reference in this Current Report on Form 6-K and have filed with the Securities and Exchange Commission (“SEC”) as exhibits hereto completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

The forward-looking statements in this Current Report on Form 6-K represent our views as of the date of this Current Report on Form 6-K. We anticipate that subsequent events and developments will cause our views to change. Except as expressly required under federal securities laws and the rules and regulations of the SEC, we do not undertake any obligation to update any forward-looking statements to reflect events or circumstances arising after the date of this Current Report on Form 6-K, whether as a result of new information or future events or otherwise. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Current Report on Form 6-K. You should not place undue reliance on the forward-looking statements included in this Current Report on Form 6-K. All forward-looking statements attributable to use are expressly qualified by these cautionary statements.

### **Entry into A Material Contract**

On March 14, 2023, Paranovus Entertainment Technology Ltd. (formerly known as Happiness Development Group Limited, “we,” “us,” “our,” the “Company”) entered into a securities purchase agreement (the “SPA”) with (i) 2lab3 LLC, a Delaware limited liability company (“2lab3”); and (ii) the sole member of 2lab3 (the “Seller”). Pursuant to the SPA, the Company agreed to purchase all the membership interests of 2lab3 from the Seller, and, in exchange, the Company agreed to issue an aggregate of 1,375,000 Class A ordinary share (the “Shares”), par value \$0.01 each (“Class A Ordinary Shares”) to the Seller and/or his designees. The parties to the SPA agreed that valuation of 2lab3 is approximately \$6 million. The Class A Ordinary Shares will be issued at a per share price of \$4.4, which is equal to the volume-weighted average price of the past five-day of the Ordinary Shares.

The SPA included customary representations, warranties, and covenants by the respective parties and closing conditions, including that the completion of the review of listing of additional shares by the Nasdaq Stock Market. Consummation of the transaction contemplated under the SPA is not subject to a financing condition. The Shares will be issued in reliance on the exemption from securities registration afforded by Section 4(2) of the Securities Act of 1933 (the “Securities Act”).

The SPA is filed as Exhibit 10.1 to this Current Report on Form 6-K and such document is incorporated herein by reference. The foregoing is only a brief description of the material terms of the SPA, and does not purport to be a complete description of the rights and obligations of the parties thereunder and is qualified in its entirety by reference to such exhibit.

### **Description of the Web 3.0 Business**

Upon closing the transaction contemplated by the SPA, 2lab3 will become a wholly-owned subsidiary of the Company, through which the Company plans to expand its business into the Web 3.0 industry. 2lab3 is dedicated to providing consulting, marketing, design, and software development services to empower its clients to adapt and thrive in the Web 3.0 era. 2lab3 believes that the decentralized networks of Web 3.0 offer an alternative to the status quo of the current digital world. 2lab3 also offers omni-channel marketing solutions for its clients to grow their internet presence and helps its clients design, launch, promote, and manage their virtual products, such as non-fungible tokens (NFTs).

### **Risk Factors Relating to the Web 3.0 Business**

*We have an evolving business model with still untested growth initiatives.*

We have an evolving business model and intend to implement new strategies to grow our business in the future. There can be no assurance that we will be successful in developing new product categories or in entering new specialty markets or in implementing any other growth strategies. Similarly, there can be no assurance that we already have or will be able to obtain or retain any employees, consultants or other resources with any specialized skills or relationships to successfully implement our strategies in the future.

***2lab3 is a recently formed entity with little track record and limited historical financial information available.***

Our Web 3.0 business will be conducted via 2lab3, which was formed on August 12, 2022 in the State of Delaware. Because 2lab3 is in the early stages of executing the business strategy, we cannot provide assurance that, or when, our Web 3.0 business will be profitable. We will need to make significant investments to develop and operate 2lab3 and expect to incur significant expenses in connection with operating components, including costs for developing technology, talent fees, marketing, and salaries. We expect to incur significant capital, operational and marketing expenses for a few years in connection with our strategy and growth plan. Any failure to achieve or sustain profitability may have a material adverse impact on the value of the shares of our Class A ordinary shares

***Our Web 3.0 Business has only a limited operating history.***

Our Web 3.0 Business has only a limited operating history. As a result, we face a number of risks encountered by combined entities, including our ability to:

- Manage expanding operations, including our ability to service our clients if our customer base grows substantially;
- Attract and retain management and technical personnel;
- Find adequate sources of financing;
- Anticipate and respond to market competition and changes in technologies as they develop and become available;
- Negotiate and maintain favorable rates with our partners; and
- Retain and expand our customer base at profitable rates.

We may not be successful in addressing or mitigating these risks and uncertainties, and if we are not successful, our Web 3.0 business could be significantly and adversely affected.

***If we do not develop and provide Web 3.0 related products and services that meet client needs in a rapidly changing environment, our business could be harmed.***

Our success depends on our ability to develop and provide products and services that are attractive to our clients. Key competitive considerations for retaining existing clients and winning new clients include our ability to develop solutions that meet client needs in a rapidly changing environment, the quality and effectiveness of our services and our ability to serve clients efficiently. As a result, we must invest resources in research and development to first create, then improve the attractiveness and comprehensiveness of our products and services and effectively incorporate new Web 3.0 technologies into them. If we are unable to provide products and services that our clients want to use, then the clients may become dissatisfied and use our competitors' products and services. If we are unable to continue offering innovative products and services, we may be unable to attract clients, which could harm our business, results of operations and financial condition.

***Our Web 3.0 Business intends to rely on the Ethereum blockchain or other public blockchain, which we have no control over.***

Our Web 3.0 Business intends to operate on the Ethereum blockchain or other public blockchain according to different requirements of our clients. For example, the Ethereum blockchain relies on a network of computers to run certain software programs to solve complex transactions in competition with other mining operations and to process transactions. We have no control over these networks, which subjects us to certain risks. For example, to the extent that any miners cease to record transactions in solved blocks, such transactions will not be recorded on the Ethereum blockchain. Currently, there are no known incentives for miners to elect to exclude the recording of transactions in solved blocks; however, to the extent that any such incentives arise (e.g., a collective movement among miners or one or more mining pools forcing Ethereum users to pay transaction fees as a substitute for or in addition to the award of new Ethereum upon the solving of a block), actions of miners solving a significant number of blocks could delay the recording and confirmation of transactions on the Ethereum blockchain. Such delay could harm our business, results of operations, and financial condition.

***We have and will continue to help our clients launch NFT products which may expose us to legal, regulatory, and other risks that could adversely affect our business, financial condition, and results of operations.***

We have and will continue to help our clients launch blockchain-based NFT products. Blockchain technology and NFTs are relatively new and emerging technologies. The regulatory, commercial, and legal framework governing blockchain technologies and NFTs is

likely to evolve both in the United States and internationally and implicates issues regarding a range of matters, including, but not limited to, intellectual property rights, privacy and cybersecurity, fraud, anti-money laundering, money transmission, sanctions, and currency, commodity, and securities law compliance. It is difficult to predict how the legal and regulatory framework around blockchain technologies and NFTs will develop and how such developments will impact our Web 3.0 business. NFT transactions also raise issues regarding compliance with laws of foreign jurisdictions, many of which present complex compliance issues and may conflict with other jurisdictions.

The launch of our NFT product and marketplace also subjects us to risks similar to those associated with any new product offering, including, but not limited to, our ability to accurately anticipate market demand and acceptance, our ability to successfully launch the NFT marketplace, creator and buyer acceptance, technical issues with the operation of an NFT marketplace, reputational risk relating to the use of NFTs more broadly, and other legal and regulatory risks.

***We may not adequately respond to price fluctuations and rapidly changing technology, which may negatively affect our business.***

Competitive conditions within the NFT industry require that we use sophisticated technology in the operation of our business. The industry for blockchain technology is characterized by rapid technological changes, new product introductions, enhancements and evolving industry standards. New technologies, techniques or products could emerge that might offer better performance than the software and other technologies we currently utilize, and we may have to manage transitions to these new technologies to remain competitive. We may not be successful, generally or relative to our competitors in the bitcoin industry, in timely implementing new technology into our systems, or doing so in a cost-effective manner. During the course of implementing any such new technology into our operations, we may experience system interruptions and failures during such implementation. Furthermore, there can be no assurances that we will recognize, in a timely manner or at all, the benefits that we may expect as a result of our implementing new technology into our operations. As a result, our business and operations may suffer, and there may be adverse effects on the price of our securities.

***NFTs are software related.***

We actively use specific hardware and software for our operation. In certain cases, source code and other software assets may be subject to an open source license, as much technology development underway in this sector is open source. For these works, the Company intends to adhere to the terms of any license agreements that may be in place.

We do not currently own, and do not have any current plans to seek, any patents in connection with our existing and planned NFT and related blockchain operations. We rely upon trade secrets, trademarks, service marks, trade names, copyrights and other intellectual property rights and expect to license the use of intellectual property rights owned and controlled by others. In addition, we have developed and may further develop certain proprietary software applications for our operations.

**We rely extensively on information technology systems, and cybersecurity incidents could adversely affect us.**

We rely on information technology systems and infrastructure to connect with our clients, people and others, and to store and process business and financial data. Increased cybersecurity threats and attacks, including computer viruses, hacking and ransomware attacks, are constantly evolving and pose a risk to our systems and networks. Security breaches, improper use of our systems and unauthorized access to our data and information by employees and others may pose a risk that sensitive data may be exposed to unauthorized persons or to the public. We also have access to sensitive or personal data or information that is subject to privacy laws and regulations. Our systems and processes may be unable to prevent material security breaches, and such breaches could adversely affect our business, results of operations, financial position and reputation.

***Blockchain technology may expose us to specially designated nationals or blocked persons or cause it to violate provisions of law.***

We are subject to the rules enforced by OFAC, including regarding sanctions and requirements not to conduct business with persons named on its specially designated nationals list. However, because of the pseudonymous nature of blockchain transactions, we may inadvertently and without our knowledge engage in transactions with persons named on OFAC's specially designated nationals list, which may expose us to regulatory sanctions and adversely affect our business, financial condition, and results of operations.

***Current and future legislation and rulemaking regarding digital assets may result in extraordinary, non-recurring expenses and could have a material adverse effect on our business, financial condition and results of operations.***

Current and future legislation and rulemaking by the Commodity Futures Trading Commission (the “CFTC”) and SEC or other regulators, including interpretations released by a regulatory authority, may impact the manner in which digital assets are treated. For example, digital assets derivatives are not excluded from the definition of “commodity future” by the CFTC. Furthermore, according to the CFTC, digital assets fall within the definition of a commodity under the Commodities Exchange Act (the “CEA”) and as a result, we may be required to register and comply with additional regulations under the CEA, including additional periodic reporting and disclosure standards and requirements. We may also be required to register as a commodity pool operator and to register as a commodity pool with the CFTC through the National Futures Association. If we are required to register with the CFTC or another governmental or self-regulatory authority, we may seek to cease certain of our operations to avoid the registration requirement. Modifying our business to avoid a registration requirement with the CFTC or another governmental or self-regulatory authority may have a material adverse effect on our business, financial condition, and results of operations.

***We may be subject to intellectual property infringement claims, which may be expensive to defend and may disrupt our business and operations.***

We cannot be certain that our operations or any aspects of our business do not or will not infringe upon or otherwise violate trademarks, patents, copyrights, know-how or other intellectual property rights held by third parties. We may be from time to time in the future subject to legal proceedings and claims relating to the intellectual property rights of others. In addition, there may be third-party trademarks, patents, copyrights, know-how or other intellectual property rights that are infringed by our products, services or other aspects of our business without our awareness. Holders of such intellectual property rights may seek to enforce such intellectual property rights against us in the United States or other jurisdictions. If any third-party infringement claims are brought against us, we may be forced to divert management’s time and other resources from our business and operations to defend against these claims, regardless of their merits.

**Exhibits:**

**10.1 [Form of Securities Purchase Agreement](#)**

**SIGNATURES**

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Paranovus Entertainment Technology Ltd.**

Date: March 16, 2023

By: /s/ Xuezhu Wang  
Xuezhu Wang  
Chief Executive Officer

## SHARE PURCHASE AGREEMENT

This Share Purchase Agreement (this “**Agreement**”) is entered into as of March 14, 2023 (the “**Effective Date**”), by and among Paranovus Entertainment Technology Ltd. (formerly known as Happiness Development Group Limited), a limited liability company organized under the laws of the Cayman Islands (the “**Buyer**”), 2lab3 LLC, a limited liability company organized under the laws of Delaware (the “**Company**”), and the sole member of the Company (the “**Seller**”) The Buyer, the Company and the Seller are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

### RECITALS

1. The Seller is the record holders and beneficial owners of 100% of the membership interests (the “**Membership Interest**”) of the Company;

2. To induce the Company and Sellers to enter into this Agreement, the Buyer desires to transfer to the Seller and the Seller desire to acquire from the Buyer, certain shares of the Buyer as the Consideration (as defined below).

**NOW THEREFORE**, in consideration of the premises and the mutual agreements and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto covenant and agree as follows:

### ARTICLE I INTERPRETATION

#### 1.1 Defined Terms

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms will have the indicated meanings and grammatical variations of such words and terms will have corresponding meanings:

“**Accounts Payable**” means all trade and other accounts payable, notes payable (including related party notes or payables) and other debts (excluding, for greater certainty, any current portion of long-term debt) due or accruing by the Company and outstanding as of the 12:01 a.m. (Eastern Time) on the day following the Closing Date;

“**Accounts Receivable**” means all trade and other accounts receivable, notes receivable and other debts due or accruing due to the Company outstanding as of the 12:01 a.m. (Eastern Time ) on the day following the Closing Date, including but not limited to retainage under contracts;

“**Affiliate**” of a Person shall mean any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise;

“**Benefit Plans**” means any retirement, pension, profit sharing, deferred compensation, stock bonus, savings, bonus, incentive, cafeteria, medical, dental, vision, hospitalization, life insurance, accidental death and dismemberment, medical expense reimbursement, dependent care assistance, tuition reimbursement, disability, sick pay, holiday, vacation, severance, change of control, stock purchase, stock option, restricted stock, phantom stock, stock appreciation rights, fringe benefit or other employee benefit plan, fund, policy, program, contract, arrangement or payroll practice of any kind or any employment, consulting or personal services contract, whether written or oral, qualified or nonqualified, funded or unfunded, or domestic or foreign, (a) sponsored, maintained or contributed to by the Company or to which the Company is party; (b) covering or benefiting any current or former officer, employee, agent, director or independent contractor of the Company (or any dependent or beneficiary of any such individual) or (c) with respect to which the Company has or could have any liability that arises prior to Closing or that relates to events or circumstances that occurred prior to Closing;

“**Business**” means the business activities of the Company, including consulting, marketing, design and development services in the web3 industry;

“**Business Day**” means any day except Saturday, Sunday or any other day on which commercial banks located in New York, New York are authorized or required by law to be closed for business;

“**Closing**” means the completion of the transactions contemplated by this Agreement. The Closing shall take place at the offices of Hunter Taubman Fischer & Li LLC, 950 Third Avenue, 19th Floor, New York, NY 10022, on the third (3rd) Business Day after all the closing conditions to this Agreement have been satisfied or waived at 10:00 a.m. local time, or at such other date, time or place as the Buyer and the Company may agree.

“**Closing Date**” means the date and time at which the Closing is actually held;

“**Condition of the Company**” means the condition of the assets, liabilities, operations, activities, earnings, prospects, affairs and financial position of the Company;

“**Current Liabilities**” means accounts payable, accrued expenses including any accrued taxes, customer deposits, accrued wages and benefits payable, and overbillings, if any, but excluding Indebtedness, if any;

“**Encumbrances**” means all capital lease and operating lease obligations, mortgages, charges, pledges, security interests, liens, encumbrances, actions, claims, demands and equities of any nature whatsoever or howsoever arising and any rights or privileges capable of becoming any of the foregoing;

“**Copyright Laws**” means any federal, state or local law, statute, rule, order, directive, judgment, Permit or regulation or the common law relating to the copyright activities, including written works, oral works, works of music, works of fine art and architecture, photographic works, audio-visual works, graphic works and model works such as design, Computer software and other intellectual achievements ;

“**Software Business Permits**” includes all orders, permits, certificates, approvals, consents, registrations, licenses and other authorization of any kind or nature, issued by any authority of competent jurisdiction under Copyright Laws;

“**Excluded Registration**” means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar equity incentive plan; or (ii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Ordinary Shares.

“**Financial Statements**” means the Prior Year-End Financial Statements;

“**Governmental Entity**” means any federal, state, local or foreign government or political subdivision thereof, or any agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of law), or any arbitrator, court or tribunal of competent jurisdiction;

“**Indebtedness**” mean (a) any indebtedness or other obligation for borrowed money of the Company, excluding Current Liabilities, (b) payment obligations of the Company for the deferred purchase price for purchases of property outside the Ordinary Course of Business arising in connection with transactions occurring prior to the Closing which are not evidenced by trade payables, (c) payment obligations of the Company under capital leases to which the Company is a party, (d) any off-balance sheet financing of the Company (including any obligation under swap transactions), (e) the aggregate amount of any unfunded or underfunded obligations under any pension, savings, profit sharing or other employee benefit arrangements maintained by the Company; and (f) any unpaid interest, prepayment premiums or penalties accrued or owing on any such indebtedness;

“**Intellectual Property**” means any intellectual property used in or relating to the Company or the Business, including but not limited to, any invention, patent, trademark, trade name, domain name or other indicia of source, copyright, confidential information, trade secret, whether or not registered, licenses (software or otherwise) and any right to apply for registration of any intellectual property;

“**Laws and Regulations**” means federal, state, local and foreign statutes, laws, ordinances, regulations, rules, codes, orders, constitutions, treaties, principles of common law, judgments, decrees or other requirements;

“**Licenses**” has the meaning ascribed thereto in Section 3.1(d)(ii);

“**Material Adverse Change**” means any change in the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, employee relations, concessions, rights, liabilities, whether contractual or otherwise, of the Company which is materially adverse to the business or operations of the Company;

“**Ordinary Course of Business**” shall mean the ordinary course of business consistent with past custom and practice (including with respect to frequency and amount);

“**Person**” includes any individual, corporation, limited liability company, partnership, firm, joint venture, syndicate, association, trust, government, governmental agency or board or commission or authority, and any other form of entity or organization;

“**Real Property**” means the leasehold interests in real property of the Company;

“**Reasonable Best Efforts**” shall mean best efforts, to the extent commercially reasonable;

“**Securities Act**” shall mean the Securities Act of 1933, as amended.

“**Subsidiary**” shall mean any corporation, partnership, trust, limited liability company or other non-corporate business enterprise in which the Company (or another Subsidiary) holds stock or other ownership interests representing (a) more than fifty percent (50%) of the voting power of all shares or other ownership interests of such entity or (b) the right to receive more than fifty percent (50%) of the net assets of such entity available for distribution to the holders of shares or other ownership interests upon a liquidation or dissolution of such entity;

“**Tax**” or “**Taxes**” mean any and all taxes, charges, fees, duties, contributions, levies or other similar assessments or liabilities in the nature of a tax, including income, gross receipts, corporation, ad valorem, premium, value-added, net worth, capital stock, capital gains, documentary, recapture, alternative or add-on minimum, disability, estimated, registration, recording, excise, real property, personal property, sales, use, license, lease, service, service use, transfer, withholding, employment, unemployment, insurance, social security, national insurance, business license, business organization, environmental, workers compensation, payroll, profits, severance, stamp, occupation, windfall profits, customs duties, franchise and other taxes of any kind whatsoever imposed by any Governmental Entity, and any interest, fines, penalties, assessments or additions to tax imposed with respect to such items or any contest or dispute thereof, whether disputed or not;

“**Tax Returns**” includes all returns, reports, claims for refund, information returns, declarations, designations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form), including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed under applicable Laws and Regulations in respect of Taxes;

“**Third Party**” means any Person other than the Parties;

“**Transaction**” means the transaction contemplated by this Agreement.

## 1.2 Schedules

The Schedules that are attached to this Agreement are incorporated into this Agreement by reference and are deemed to be part hereof.

### 1.3 Currency

Unless otherwise indicated, all dollar amounts referred to in this Agreement are stated in lawful currency of the United States of America.

### 1.4 Choice of Law

All matters arising out of or relating to this Agreement and the transactions contemplated hereby (including its interpretation, construction, performance and enforcement) shall be governed by and construed in accordance with the internal laws of the State of New York without giving effect to any choice or conflict of law provision or rule (whether of the State of York or any other jurisdiction) that would cause the application of laws of any jurisdictions other than those of the State of New York.

### 1.5 Interpretation Not Affected by Headings or Party Drafting

The division of this Agreement into articles, sections, paragraphs, subparagraphs and clauses and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “**this Agreement**”, “**hereof**”, “**herein**”, “**hereunder**” and similar expressions refer to this Agreement and the Schedules and Exhibits hereto and not to any particular article, section, paragraph, clause or other portion hereof and include any agreement or instrument supplementary or ancillary hereto. The term “including” shall mean including without limitation. The Parties acknowledge that their respective legal counsel have reviewed and participated in settling the terms of this Agreement and the Parties hereby agree that any rule of construction to the effect that any ambiguity is to be resolved against the drafting Party shall not be applicable in the interpretation of this Agreement.

### 1.6 Number and Gender

In this Agreement, unless there is something in the subject matter or context inconsistent therewith:

- (a) words in the singular number include the plural and such words will be construed as if the plural had been used;
- (b) words in the plural include the singular and such words will be construed as if the singular had been used; and
- (c) words importing the use of any gender include all genders where the context or Party referred to so requires, and the rest of the affected sentence will be construed as if the necessary grammatical and terminological changes had been made.

### 1.7 Knowledge

Where any representation or warranty contained in this Agreement or any agreement delivered pursuant to this Agreement is expressly qualified by reference to the “**Knowledge**” of a Party, such qualification shall be deemed to refer to the actual knowledge of such Party and the knowledge such Party would have if it had conducted a reasonable inquiry into the relevant subject matter; *provided*, with respect to the Seller and the Company, the phrase “**to the Knowledge of the Company**” shall be deemed to mean the knowledge of the Seller.

### 1.8 Time of Essence

Time shall be of the essence of this Agreement.

## **ARTICLE II** **PURCHASE AND SALE; CLOSING PROCEEDS**

### 2.1 Purchase and Sale

In exchange for the 100% of the Membership Interests from the Seller, the Buyer shall deliver to the Seller (or the Seller's designees), and the Seller shall acquire from the Buyer, 1,375,000 Class A ordinary shares (“**Share Consideration**”), par value \$0.01 per share (“**Ordinary Shares**”), of the Buyer, which equals to the quotient of 100% of the valuation of the Company as agreed by the parties, which is approximately \$6 million, divided by the per share price of \$4.4, which is the volume-weighted average price (VWAP) of the Ordinary Shares during the last five (5) trading days (including March 14, 2023) prior to the execution of the Agreement.

### **ARTICLE III** **REPRESENTATIONS AND WARRANTIES**

#### **3.1 Representations and Warranties by the Seller and the Company**

Seller and the Company, jointly and severally (except where specifically indicated herein), represent and warrant to Buyer, as of the date hereof, the matters set forth in this Section 3.1, in connection with the completion of the transactions contemplated by this Agreement.

(a) **Valid Existence.** The Company is a company duly organized, validly existing and in good standing under the laws of Delaware, with all requisite corporate power and authority and all authorizations, licenses and permits necessary to own and operate its properties and to carry on its businesses as now conducted. The Company is duly registered to operate or conduct business in all jurisdictions in which such registration is required under applicable Laws. Each Seller, if it is a corporation, is duly organized, validly existing and in good standing under the laws of the jurisdiction under which it is organized.

(b) **Authority and Binding Obligation.**

(i) The Company has all corporate requisite power and authority to execute and deliver this Agreement and all other agreements contemplated hereby to which the Company is a party and to consummate the transactions contemplated hereby and thereby. No other actions or proceedings (corporate or otherwise) on the part of each of the Company are necessary to approve and authorize the execution and delivery of this Agreement and all other agreements contemplated hereby to which the Company is a party or the consummation of the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by the Company and constitutes the valid and binding agreement of the Company, enforceable against each of them in accordance with its terms, except as enforceability hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other Laws and Regulations affecting creditors' rights generally and limitations on the availability of equitable remedies.

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(ii) Each Seller, individually and not severally, represents and warrants that such Seller has all corporate requisite power and authority to execute and deliver this Agreement and all other agreements contemplated hereby to which such Seller is a party and to consummate the transactions contemplated hereby and thereby. No other actions or proceedings (corporate or otherwise) on the part of such Seller are necessary to approve and authorize the execution and delivery of this Agreement and all other agreements contemplated hereby to which such Seller is a party or the consummation of the transactions contemplated hereby and thereby. This Agreement has been duly executed and delivered by such Seller and constitutes the valid and binding agreement of such Seller, enforceable against each of them in accordance with its terms, except as enforceability hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other Laws and Regulations affecting creditors' rights generally and limitations on the availability of equitable remedies.

(c) **Consents and Regulatory Approvals.**

(i) No material consent, approval, waiver, license, permit, order or authorization (“**Consent**”) of, or registration, declaration or filing with, or Governmental Authorization from, any Governmental Entity is required to be obtained or made by Seller in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated by this Agreement.

(ii) The execution of this Agreement and the consummation of the transactions contemplated by this Agreement will not result in the breach of any term or provision of, or constitute an event of default under, any material indenture, mortgage, deed of trust or other material contract, agreement or instrument to which Seller is a party or to which any of their properties or operations are subject, or result in the creation of any Encumbrances on the Ordinary Shares.

(d) **Licenses.**

(i) The Company is duly licensed and registered to carry on its business in all jurisdictions in which the nature of its business or the ownership of its assets makes such licenses or registrations necessary;

(ii) The Company holds all necessary licenses, permits, registrations and qualifications, (collectively the “**Licenses**”) in each jurisdiction in which:

(A) it owns, leases or operates any of its assets or properties; or

(B) the nature or conduct of the Business or any part thereof or the nature of its assets or properties makes such qualification necessary or desirable to enable the Company to carry on the Business as now conducted or to enable the Company to own, lease or operate its assets or properties.

All of the Licenses, registrations and qualifications necessary to the operation of the Business are in place and are valid and in full force and effect. The Company has been and is operated in compliance with all terms and conditions of such Licenses and there are no proceedings in progress, pending or, to the Knowledge of any Seller or the Company, threatened, that could result in the revocation, cancellation or suspension of any of such Licenses. True and correct copies of all such Licenses have been provided to Buyer.

(e) **Compliance with Organizational Documents, Agreements and Licenses.** The Company has furnished to Buyer complete and accurate copies of the Company’s charter documents, each as amended and/or restated to date (collectively, the “**Organizational Documents**”). The Company is not in default under or in violation of any provision of its Organizational Documents. The execution, delivery and performance of this Agreement and each of the other agreements contemplated by or referred to herein and the completion of the transactions contemplated hereby by the Company and Seller will not constitute or result in a violation, breach or default, or cause the acceleration of any obligations under:

(i) any term or provision of the Company’s or any Seller’s Organizational Documents;

(ii) the terms of any indenture, Material Contract, agreement (written or oral), instrument or understanding or other obligation or restriction applicable to or binding upon the Company or any Seller or to which the Company or any Seller is a Party; or

(iii) any term or provision of any of the Licenses or, to the Knowledge of any Seller or the Company, any order of any court, Governmental Entity or any Law and Regulations of any jurisdiction in which the Business is carried on.

(f) **Subsidiary.** The Company does not own, directly or indirectly, any capital stock, membership interest, partnership interest, joint venture interest or other membership interest in any person.

(g) **Minute Books and Corporate Records.** The minute books of the Company are true and correct in all material respects and contain the minutes of all meetings and all resolutions of the board of directors, members, and managers of the Company, except where any deficiencies or irregularities in such minute books would not result in a Material Adverse Change.

(h) **Capitalization.**

- (i) The Membership Interests have been duly authorized, validly issued, fully paid and nonassessable, and free of all preemptive rights.

No subscription, warrant, option, convertible security or other right (contingent or otherwise) to purchase or acquire any capital stock or any other membership interest of the Company is authorized or outstanding. There are no outstanding (a) capital, equity or voting securities of the Company, (b) securities convertible or exchangeable into membership interests of the Company, (c) options, warrants, purchase rights, subscription rights, preemptive rights, conversion rights, exchange rights, calls, puts, rights of first refusal or other contracts

- (ii) that require the Company to issue, sell or otherwise cause to become outstanding or to acquire, repurchase or redeem any capital stock or membership interests of the Company or (d) equity appreciation, phantom equity, profit participation or similar rights with respect to the Company. The Company has not violated any Laws and Regulations in connection with the offer, sale, issuance or repurchase of any of its capital stock or other equity or debt securities.

- (i) **Financial Records.** All material financial transactions of the Company have been recorded in the financial books and records maintained by or for the Company in accordance with past accounting practices of the Company, and such financial books and records, together with all disclosures made in this Agreement, present accurately in all material respects the financial condition and the balance sheet, revenues, expenses and results of the operations of the Company as of and to the date hereof.

- (j) **No Litigation.** There are no actions, suits, claims, complaints, hearings, arbitrations, investigations or proceedings, whether existing, pending or, to the Knowledge of any Seller or the Company, threatened against or affecting any Seller, the Company, or the Business at law or in equity or before any Governmental Entity or arbitrator. There are no judgments, orders or decrees outstanding against (i) any Seller that would be reasonably likely to prevent, delay or result in the rescission of any of the transactions contemplated by this Agreement, (ii) the Company or (iii) the Business.

- (k) **Material Liabilities.** Neither Seller nor the Company has any material liabilities, obligations or commitments of the type required to be reflected on a balance sheet prepared in accordance with past accounting practices of the Company.

- (l) **Financial Statements.** The Financial Statements have been prepared in accordance with past accounting practices of the Company applied on a basis consistent with previous fiscal years of the Company, and the Financial Statements are true, correct and complete in all material respects and present fairly, in all material respects, the financial condition, assets, liabilities, revenues, expenses and cash flows of the Company's at the dates thereof and for the periods covered thereby. The Company has no Indebtedness not accurately and correctly reflected in the Financial Statements.

- (m) **Absence of Certain Changes or Events.** Since the date of the Financial Statements, the Company has not, directly or indirectly:

- (i) to the Knowledge of any Seller and the Company, incurred any obligation or liability (fixed or contingent), except normal trade or business obligations incurred in the Ordinary Course of Business, none of which is materially adverse to the Company;

- (ii) created any Encumbrance upon any of its properties or assets;

- (iii) sold, assigned, licensed, transferred, leased or otherwise disposed of any properties or assets, except in the Ordinary Course of Business;

- (iv) purchased, leased or otherwise acquired any properties or assets, except in the Ordinary Course of Business;

- (v) entered into any transaction, contract, agreement or commitment, except in the Ordinary Course of Business;

- (vi) terminated, discontinued, closed or disposed of any plant, facility or operation;
- (vii) changed the terms and conditions of employment of any employees of the Company, including increasing any form of compensation or other benefits payable or to become payable to any of the employees of the Company, except increases made in the Ordinary Course of Business;
- (viii) changed any remuneration payable or benefits provided to any officer, manager, director, consultant or agent of the Company;
- (ix) suffered any extraordinary loss;

- (x) made or experienced any Material Adverse Change in, or become aware of any event or condition that is likely to result in a Material Adverse Change to, the Condition of the Company or its relationships with the Company's customers, suppliers or employees;
  - (xi) modified, waived, changed, amended, released, rescinded, or terminated any material term, condition, or provision of any contract, lease, agreement, license or other instrument to which it is a party other than in the Ordinary Course of Business;
  - (xii) declared or paid any non-cash dividend or made any non-cash distribution upon or with respect to its membership interests, or made any non-cash payments, transfers or assignments of any rights, property or assets to any Seller or any other Person; or
  - (xiii) authorized, agreed or otherwise become committed to do any of the foregoing.
- (n) **Commitments for Capital Expenditures.** Neither Seller the Company has committed to make any capital expenditures or authorized any capital expenditures which have not been fulfilled or paid.
- (o) **Tax Matters.** The Company has filed all foreign, national, municipal, provincial, local tax returns of any kind whatsoever, including its value-added tax ("VAT") returns, required to be filed by the date hereof. Each of such tax returns reflects the taxes due for the period covered thereby and the Company has paid all such amounts. The Company has no liabilities with respect to the payment of any taxes (including any deficiencies, interest or penalties), except for taxes accrued but not yet due and payable.
- (p) **Intentionally Omitted**
- (q) **Title to Assets.** The Company is the true and lawful owner of and has good and marketable title to all of its assets and properties that are used in the Business of the Company, free and clear of all Encumbrances, except for (i) leased Real Property, (ii) validly licensed Intellectual Property, and (iii) inventory disposed of in the Ordinary Course of Business. Except for lessors of the Real Property and licensed Intellectual Property, no Person other than the Company has any interest (or any right capable of becoming an interest) in any of the assets or property of the Company. The Seller does not have any interest, legal or beneficial, direct or indirect, in any of the assets or properties of the Company.
- (r) **Real Properties.**
- (i) The Seller and the Company have provided to Buyer true, correct and complete copies of all ownership documents and leases related to Real Property of, or used by, the Company. There are no agreements, options, contracts or commitments to sell, transfer or otherwise dispose of the Real Property or that would be affected by a change of control of the Company. There are no leases, tenancies, licenses or other rights of occupancy or use for any portion of the Real Property by any other Person, and no Person other than the Company occupies or uses any portion of the Real Property.

- (ii) The Real Property and all buildings and structures located thereon and the conduct of the Business as presently conducted thereon do not violate, and the use thereof in the manner in which it is presently used is not adversely affected by, any zoning or building laws, ordinances, regulations, covenants or official plans and there are no outstanding work orders, non-compliance orders, deficiency notices or other such notices regarding to the Real Property. Neither the Company nor any Seller has received any notification alleging any such violation.

- (s) **Condition of Tangible Personal Property.** The tangible personal property comprising the equipment, furniture, and vehicles of the Company, whether leased or owned, is in good operating condition and repair, reasonable wear and tear excepted. No major repair items are anticipated and the standard preventive maintenance operations have been carried out in accordance with the manufacturers' recommendations.

- (t) **Leased Personal Property.** The Company has no leases of personal property used in or relating to the Business.

- (u) **Accounts Payable.** The Seller has provided Buyer with a true, correct and complete list of the Accounts Payable of the Business as of February 28, 2023. All of such Accounts Payable arose in the Ordinary Course of Business.

- (v) **Accounts Receivable.** The Seller has provided Buyer with a true, correct and complete list of the Accounts Receivable of the Business as of February 28, 2023, including an aging of such Accounts Receivable as of such date, both in the aggregate and by customer (0-30 days, 30-90 days and greater than 90 days). With respect to such Accounts Receivable: (i) all of such Accounts Receivable arose in the Ordinary Course of Business, (ii) except to the extent of any reserve for doubtful accounts, all of such Accounts Receivable have been (or will be) collected or, to the knowledge of any Seller or the Company, are collectible (or will be collectible) in the book amounts thereof and (iii) none of such Accounts Receivable are or, to the Knowledge of any Seller or the Company, will be, subject to any claim of offset, recoupment, setoff, or counterclaim, and to the Knowledge of any Seller or the Company there are no specific facts or circumstances (whether asserted or unasserted) that would give rise to any such claim. No amount of such Accounts Receivable are or will be contingent upon the performance by the Company of any obligation or contract. Except for trade discounts in the Ordinary Course of Business, no agreement for deduction or discount has been made with respect to any of such accrued receivables.

- (w) **Inventory.** The Seller has provided Buyer a true, correct and complete list of the Company's owned inventory as of February 28, 2023, of items purchased in advance of the need to incorporate such inventory into a specific job or project (the "**Pre-Purchased Inventory**"). At Closing, the Seller will provide Buyer with an updated list of Pre-Purchased Inventory as of Closing. Such inventory is useable in the Ordinary Course of Business.

- (x) **Extraordinary Agreements.** The Company is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind and is not a party to any agreement under which the Company agrees to carry on any part of its business in such manner or by which the Company agrees to share any revenue or profit of its business with any other Person. The Company is not party to or bound by any outstanding or executory agreement, contract or commitment out of the Ordinary Course of Business, whether written or oral.

- (y) **Material Contracts.**

- (i) The Seller has provided to Buyer true and correct copies of the following agreements (each a "**Material Contract**") to which the Company is a party:

- (A) any agreement for the purchase or sale of products or for the furnishing or receipt of services (1) which involves more than the sum of \$10,000 or (2) in which the Company has granted "most favored nation" pricing provisions or marketing or distribution rights relating to any services, products or territory or has agreed to purchase a minimum quantity of goods or services or has agreed to purchase goods or services exclusively from a certain party;

- (B) any agreement concerning the establishment or operation of a partnership, joint venture or limited liability company;

- (C) any agreement under which the Company has created, incurred, assumed or guaranteed (or may create, incur, assume or guarantee) indebtedness (including capitalized lease obligations) or under which it has imposed (or may impose) any Encumbrance on any of its assets, tangible or intangible (excluding indebtedness and Encumbrances being paid off, terminated or otherwise satisfied in connection with the Closing);

- (D) any agreement for the disposition of any significant portion of the assets or business of the Company (other than sales of products in the Ordinary Course of Business) or any agreement for the acquisition of the assets or business of any other entity (other than purchases of inventory or components in the Ordinary Course of Business);

- (E) any agreement concerning confidentiality or non-solicitation;

- (F) any employment agreement, consulting agreement, severance agreement (or agreement that includes provisions for the payment of severance) or retention agreement;

- (G) any agreement involving any current director, manager, officer, or member of the Company;

- (H) any lease or agreement under which the Company is the lessee of, or holds or operates, any personal property owned by any other party, for which the annual rental exceeds \$15,000;

- (I) any agreement that prohibits the Company from freely engaging in business anywhere in the world;

- (J) any distributor, sales representative, franchise or similar agreement to which the Company is a party or by which the Company is bound; and

- (K) any other agreement (or group of related agreements) either (A) involving more than \$50,000 or (B) not entered into in the Ordinary Course of Business and involving more than \$10,000.

- (ii) The Company has made available to Buyer a complete and accurate copy of each Material Contract (as amended to date). With respect to each Material Contract, and subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting generally the enforcement of creditors' rights and subject to general principles of equity: (i) the Material Contract is legal, valid, binding and enforceable and in full force and effect against the Company, to the Knowledge of any Seller or the Company, against each other party thereto; and (ii) the Material Contract will continue to be legal, valid, binding and enforceable and in full force and effect against the Company and against each other party thereto immediately following the Closing in accordance with the terms thereof as in effect immediately prior to the Closing. Neither the Company nor, to the Knowledge of any Seller or the Company, any other party, is in breach or violation of, or default under, any such Material Contract, and no event has occurred, is pending or, to the Knowledge of any Seller or the Company, is threatened, which, after the giving of notice, with lapse of time, or otherwise, would constitute a breach or default by the Company or any other party under such Material Contract.

- (iii) The Company is not a party to any oral contract, agreement or other arrangement that, if reduced to written form, would be required to provide under the terms of Section 3(y).

(z) **Employees.**

- The Seller has provided to Buyer a true, correct and complete list as of February 28, 2023 of the following information for each employee of the Company, including any employee on leave of absence or layoff status: name; job title; current compensation paid or payable; any change in compensation since August 13, 2022;
- (i) vacation accrued; and service credited for purposes of vesting and eligibility to participate Benefit Plans, severance pay, vacation or other plan maintained by the Company. Except as provided to Buyer, no employee is party to any written employment, service or consulting agreement, and all employees of the Company are employed on an at-will basis.
- The Seller has provided to Buyer a true, correct and complete list of any individual independent contractors currently engaged by the Company, along with the position, date of retention and rate of remuneration for each such Person. Except as provided to Buyer, no individual independent contractor is a party to any written agreement or contract with the Company.
- (ii)
- To the Knowledge of any Seller or the Company, no manager, officer, key employee or significant group of employees of the Company intends to terminate his or her employment with the Company during the twelve (12) month period from and after the date of this Agreement.
- (iii)
- All employees of the Company have obtained and currently maintain any licenses and permits necessary for each such employee to perform the services currently being performed by such employees on behalf of the Company, and any such licenses and permits are valid and in full force and effect.
- (iv)
- The Company has not materially breached or violated any (1) Laws and Regulations respecting employment and employment practices, terms and conditions of employment and wages and hours, including any such Laws and Regulations respecting employment discrimination, employee classification, workers' compensation, family and medical leave, the immigration status and occupational safety and health requirements, or (2) employment agreement or other agreement covering individual employees; and no claims, controversies, investigations, audits or suits are pending or, to the Knowledge of any Seller or the Company, threatened with respect to such Laws and Regulations or agreements, either by private individuals or by Governmental Entities. The Company has not incurred any liability arising from the misclassification of employees as consultants or independent contractors, or from the misclassification of consultants or independent contractors as employees.
- (v)
- The Company has withheld and paid to the appropriate Governmental Entity or is holding for payment not yet due to such Governmental Entity all amounts required to be withheld from the Company's employees and the Company is not liable for any arrears of wages, Taxes, penalties or other sums for failure to comply with any of the foregoing.
- (vi)

- Benefit Plans.** The Company have provided to Buyer a true, correct and complete list of all Benefit Plans offered by the Company. Each such Benefit Plan complies in all material respects, and has complied in all material respects since inception, by its terms and in operation, with the requirements provided by any and all Laws and Regulations then in effect and applicable to such plan, and the Company has timely made (or accrued, if not yet due) all payments or contributions required to be made thereunder.
- (aa)

(bb) **Guarantees, Warranties and Discounts.**

- The Company is not party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (whether accrued, absolute, contingent or otherwise) or Indebtedness of any Person.
- (i)
- The Company has not given any guarantee or warranty in respect of any of the goods and services provided by it, except warranties made in the Ordinary Course of Business.
- (ii)

(iii) In each of the two (2) years prior to the date hereof, no claims have been made against the Company or the Business for breach of warranty or contract or negligence or for a price adjustment or other concession in respect of any failure to perform services or work.

(iv) There are no letters of credit, bonds or other financial security arrangements currently in place in connection with any transactions with its suppliers or customers, nor does the Company provide letters of credit, bonds or other financial security arrangements in the normal course of business.

(cc) **Intellectual Property.** The Company owns, possesses or can obtain on commercially reasonable terms sufficient legal rights to all Intellectual Property necessary to the Business of the Company as presently conducted without any conflict with, or infringement or misappropriation, of the rights of others, the lack of which could reasonably be expected to have a Material Adverse Change. There are no outstanding options, licenses or agreements relating to the Intellectual Property owned or purported to be owned by each the Company, and the Company is not bound by or a party to any options, licenses or agreements with respect to the Intellectual Property of any other person or entity. The Company has not received any written communication alleging that the Company has violated or, by conducting its Business as currently conducted, would violate any of the Intellectual Property of any other Person, nor is the Company or any Seller aware of any basis therefore. Except as described in agreements provided to Buyer, the Company is not obligated to make any payments by way of royalties, fees or otherwise to any owner or licensor of or claimant to any Intellectual Property with respect to the use thereof in connection with the conduct of its Business as presently conducted. There are no agreements, understandings, instruments, contracts, judgments, orders or decrees to which the Company is a party or by which it is bound which involve indemnification by the Company with respect to infringements of Intellectual Property.

(dd) **Insurance.** The Seller has provided Buyer a true, correct and complete list of all insurance policies maintained by the Company or under which the Company is covered in respect of the properties, assets, operations and personnel utilized in the operation of the Business as of the date hereof. Complete and correct copies of all such insurance policies have been provided to Buyer. Such insurance policies are in full force and effect and the Company is not in default with respect to the payment of any premium or compliance with any of the provisions contained in any such insurance policy. There are no circumstances under which the Company would be required to or, in order to maintain its coverage, should give any notice to the insurers under any such insurance policies which have not been given. The Company has not received notice from any of the insurers regarding cancellation of such insurance policies. The Company has not failed to give any notice of or to present any claim under any such insurance policy in due and timely fashion. Neither any Seller nor the Company has received notice from any of the insurers denying any claims under such policies.

(ee) **No Material Adverse Change.** Since the date of the Financial Statements, there has been no Material Adverse Change in the affairs, operations or Condition of the Company or the Business, and no event has occurred or circumstance exists which may be reasonably expected to result in such a Material Adverse Change.

(ff) **Compliance with Laws.** The Company has at all times complied in all material respects, and is currently in material compliance, with all Laws and Regulations that apply to the Company, the Business, the Company's business practices, employees, operations and any of the Company's owned or leased real or personal properties, except where the effect of any such non-compliance, individually or in the aggregate, has not had and would not reasonably be expected to result in a Material Adverse Change.

(gg) **Independent Nature of Sellers' Obligations and Rights.** The only relationship among the Seller is that they are all members of the Company. Nothing contained herein and no action taken by the Seller hereto, shall be deemed to constitute the Seller as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Seller are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement or any and the Company acknowledges that, to the best of its knowledge, the Seller are not acting in concert or as a group with respect to such obligations or the transactions contemplated by this Agreement.

(hh) **Customers and Suppliers.** The Seller has provided Buyer with list of (a) customers of the Business that purchased from the Company during the calendar year 2022, and the amount of revenues accounted for by such customer during such calendar year, and (b) each supplier to the Company of any significant product or service that would not be able to be obtained from another supplier without unreasonable delay, expense or burden. No such customer or supplier has indicated within the past year that it will stop, or materially decrease the rate of, buying materials, products or services or supplying materials, products or services, as applicable, to the Business.

(ii) **Data Collection.** In connection with its collection, storage, transfer (including, without limitation, any transfer across national borders) and/or use of any personally identifiable information from any individuals, including, without limitation, any customers, prospective customers, employees and/or other third parties (collectively, “Personal Information”) and any other data, the Company is and has been in compliance in all material respects with all applicable laws in all relevant jurisdictions, the Company’s privacy policies and the requirements of any contract or codes of conduct to which the Company is a party. The Company has commercially reasonable security measures and policies in place to protect all Personal Information and other data collected by it or on its behalf from and against unauthorized access, use and/or disclosure. The Company is and has been in compliance in all material respects with all laws relating to data loss, theft and breach of security notification obligations.

(jj) **Broker’s Fees.** No broker, investment banker, financial advisor or other person, is entitled to any broker’s, finder’s, financial advisor’s or other similar fee or commission in connection with this Agreement or the transactions contemplated hereby based upon arrangements made by or on behalf of any Seller.

(kk) **Reliance on Exemptions.** The Seller understands that the Share Consideration are being offered and sold to it in reliance upon the exemption from securities registration afforded by Section 4(2) of the Securities Act that the Company is relying upon the truth and accuracy of, and the Seller’s compliance with, the representations, warranties, agreements, acknowledgments and understandings of the Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of the Seller to acquire the Share Consideration.

(ll) **Restricted Securities.** The Investor understands that the Share Consideration have not been, and will not be, registered under the Securities Act, by reason of a specific exemption from the registration provisions of the Securities Act which depends upon, among other things, the bona fide nature of the investment intent and the accuracy of the Investor’s representations as expressed herein. The Investor understands that the Shares are “restricted securities” under applicable U.S. federal and state securities laws and that, pursuant to these laws, the Investor must hold the Shares indefinitely unless they are registered with the SEC and qualified by state authorities, or an exemption from such registration and qualification requirements is available. The Investor acknowledges that the Company has no obligation to register or qualify the Shares for resale. The Investor further acknowledges that if an exemption from registration or qualification is available, it may be conditioned on various requirements including, but not limited to, the time and manner of sale, the holding period for the Shares, and on requirements relating to the Company which are outside of the Investor’s control, and which the Company is under no obligation and may not be able to satisfy. The Investor understands that this offering is not intended to be part of the public offering, and that the Investor will not be able to rely on the protection of Section 11 of the Securities Act. Such Investor understands that the Share Consideration must be held indefinitely unless such Share Consideration are registered under the Securities Act or an exemption from registration is available. Such Investor acknowledges that such Investor is familiar with Rule 144 and Rule 144A, of the rules and regulations of the Commission, as amended, promulgated pursuant to the Securities Act (“**Rule 144**”), and that such person has been advised that Rule 144 and Rule 144A, as applicable, permits resales only under certain circumstances. Such Investor understands that to the extent that Rule 144 or Rule 144A is not available, such Investor will be unable to sell any Share Consideration without either registration under the Securities Act or the existence of another exemption from such registration requirement. The Investor understands that no United States federal or state agency or any other government or governmental agency has passed upon or made any recommendation or endorsement of the Share Consideration. The Investor hereby acknowledges that upon the issuance thereof, and until such time as the same is no longer required under the applicable securities laws and regulations, any certificates representing the Shares and the underlying securities may bear a restrictive legend pursuant to applicable laws and may include language substantially similar to the below:

“THE SECURITIES REFERENCED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AND HAVE BEEN ACQUIRED FOR INVESTMENT AND NOT WITH A VIEW TO, OR IN CONNECTION WITH, THE SALE OR DISTRIBUTION THEREOF. NO SUCH SALE OR DISTRIBUTION MAY BE EFFECTED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT RELATED THERETO OR AN OPINION OF COUNSEL IN A FORM SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED UNDER THE SECURITIES ACT OF 1933.”

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(mm) **Experience of the Seller.** The Seller has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Ordinary Shares, and has so evaluated the merits and risks of such investment. The Seller is able to bear the economic risk of an investment in the Ordinary Shares and, at the present time, is able to afford a complete loss of such investment.

(nn) **Access to Information.** The Seller acknowledges that it has had the opportunity to review the transaction documents and all reports and documents filed by the Buyer, or its predecessor, with the Securities and Exchange Commission, and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Buyer concerning the terms and conditions of the offering of Ordinary Shares and the merits and risks of investing in the Ordinary Shares; (ii) access to information about the Buyer and its financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Buyer possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment.

(oo) **No Registration.** The Seller understands that the Share Consideration have not been, and will not be, registered under the Securities Act or applicable securities laws of any state or country and therefore the Share Consideration cannot be sold, pledged, assigned or otherwise disposed of unless they are subsequently registered under the Securities Act and applicable state securities laws or exemptions from such registration requirements are available. Except as described in Section 4.2 herein, Buyer shall be under no obligation to register the Share Consideration under the Securities Act and applicable state securities laws, and any such registration shall be in Buyer’s sole discretion.

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(pp) **No General Solicitation.** Seller is not receiving the Share Consideration as a result of any advertisement, article, notice or other communication regarding the Share Consideration published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(qq) **Disclosure.** No representation or warranty contained in this Section 3.1, and no statement contained in any certificate, list, summary or other disclosure document provided or to be provided to Buyer pursuant hereto or in connection with the transactions contemplated hereby, contains or will contain any untrue statement of a material fact, or omits or will omit to state any material fact which is necessary in order to make the statements contained therein not misleading.

(rr) **Copies of Documents.** Complete and correct copies (including all amendments) of all contracts and other documents required to be provided to Buyer under the terms of this Agreement have been delivered to Buyer.

### 3.2 Representations and Warranties by Buyer

(a) Buyer represent and warrant that as of the date hereof:

(i) **Valid Existence.** Buyer is a limited liability company duly organized, validly existing and on active status under the laws of its jurisdiction of organization, with all requisite limited liability company power and authority to and all authorizations, licenses and permits necessary to own and operate its properties and to carry on its business as now conducted.

- Authority and Binding Obligation.** Buyer has all requisite power and authority to execute and deliver this Agreement and all other agreements contemplated hereby to which it is a party and to perform its obligations hereunder and thereunder. The execution and delivery by Buyer of this Agreement and all other agreements contemplated hereby to which it is a party and the consummation by Buyer of the transactions contemplated hereby and thereby have been duly and validly authorized by all necessary corporate action on the part of Buyer. This Agreement has been duly and validly executed and delivered by Buyer and constitutes a valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, except as enforceability hereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other Laws and Regulations affecting creditors' rights generally and limitations on the availability of equitable remedies.
- (ii)

- Contractual and Regulatory Approvals.** Except for in connection with the issuance of the Share Consideration, Buyer is not under any obligation, contractual or otherwise, to request or obtain the consent of any Person, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any Governmental Entity are required to be obtained by Buyer in connection with the execution, delivery or performance of this Agreement or the completion of any of the transactions contemplated herein.
- (iii)

- Compliance with Organizational Documents.** The execution, delivery and performance of this Agreement and each of the other agreements contemplated or referred to herein by Buyer and the completion of the transactions contemplated hereby, will not constitute or result in a violation or breach of or default under any term or provision of the Organizational Documents of Buyer.
- (iv)

- No Proceedings.** There are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf Buyer or others) pending or to the Knowledge of Buyer, threatened, by or against Buyer that relate to the completion of the transaction contemplated by this Agreement, before or by any court or any Governmental Entity.
- (v)

- Broker's Fees.** Buyer has no liability or obligation to pay any fees or commissions to any broker, finder or agent with respect to the transactions contemplated by this Agreement.
- (vi)

- Buyer represents and warrants to the Seller that, as of the date hereof, the Share Consideration, when issued in accordance with the terms of this Agreement, will be duly authorized, validly issued, fully paid and nonassessable, free of all preemptive rights, and no further consents of any Person shall be required in connection with the issuance thereof.
- (b)

#### **ARTICLE IV** **COVENANTS**

##### **4.1 Covenants by Sellers and the Company**

Sellers and the Company covenant that they will do or cause to be done the following:

- Financial Statements.** The Seller and the Company shall cooperate with Buyer with respect to any post-Closing audit and any audit of prior years' financial statements that may be required by regulatory authorities in the future.
- (a)

- Legends.** The Share Consideration may only be disposed of in compliance with state and federal securities laws. In connection with any transfer of Share Consideration other than pursuant to an effective registration statement or Rule 144 of the Securities Act, the Seller may require the transferor thereof to provide to the Seller an opinion of counsel selected by the transferor and reasonably acceptable to the Seller, the form and substance of which opinion shall be reasonably satisfactory to the Seller, to the effect that such transfer does not require registration of such transferred Share Consideration under the Securities Act. The Seller agrees to the imprinting, so long as is required by this Section 4.1(d), of a legend on all of the certificates evidencing the Share Consideration in the following form:
- (b)

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

THESE SECURITIES ARE BEING OFFERED TO INVESTORS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("THE SECURITIES ACT")) AND WITHOUT REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT IN RELIANCE UPON REGULATIONS PROMULGATED UNDER THE SECURITIES ACT. TRANSFER OF THESE SECURITIES IS PROHIBITED, EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF REGULATIONS PROMULGATED UNDER THE SECURITIES ACT, PURSUANT TO REGISTRATION UNDER THE SECURITIES ACT, OR PURSUANT TO AVAILABLE EXEMPTION FROM REGISTRATION. HEDGING TRANSACTIONS MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

Each Seller agrees that it will sell any Share Consideration pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom, and that if the Share Consideration are sold pursuant to a registration statement, they will be sold in compliance with the plan of distribution set forth therein, and acknowledges that the removal of the restrictive legend from certificates representing Share Consideration as set forth in this [Section 4.1\(d\)](#) is predicated upon Buyer's reliance upon this understanding.

#### **4.2 [Reserved]**

#### **4.3 Consents**

The Parties shall cooperate with each other and proceed, as promptly as is reasonably practicable, to make any filings (and comply with associated requests for information) and to obtain any necessary consents and approvals from government bodies, regulators, lenders, landlords and other Third Parties, and to endeavor to comply with all other legal or contractual requirements for or preconditions to the execution and consummation of the transactions contemplated hereby.

#### **4.4 Preparation of Tax Returns.**

- Buyer and the Seller agree to furnish or cause to be furnished to each other, upon request, as promptly as practicable, such information and assistance relating to the Company as is reasonably necessary for the filing of all Tax Returns and the making of any election related to Taxes, the preparation of any audit by any Governmental Authority and the prosecution of or defense of any claim, suit or proceeding relating to any Tax Return. Buyer and Seller agree to maintain or arrange for the maintenance of all records necessary to comply with this [Section 4.4\(a\)](#), including all Tax Returns, schedules and work papers and all material records or other documents relating thereto, until the expiration of the applicable statute of limitations (including extensions) for the taxable years to which such Tax Returns and other documents relate and, unless the relevant portions of such Tax Returns and other documents are offered to the other party, until the final determination of any payments which may be required in respect of such years under this Agreement or such longer period as may be required hereof. Any information obtained under this [Section 4.4\(a\)](#) shall be kept confidential, except as may be otherwise necessary in connection with the filing of Tax Returns or claims for refund or in conducting any audit or other Tax-related proceeding. Each Party agrees to afford the other reasonable access to such records during normal business hours.

- (i) The Seller and the Company shall be liable, jointly and severally, for and shall pay all Taxes, whether assessed or unassessed, applicable to the Company, in each case attributable to all periods prior to the Closing Date; (ii) Buyer liable for and shall pay all Taxes, whether assessed or unassessed, applicable to the Company, in each case attributable to periods beginning on or after the Closing Date; and (iii) all real property Taxes, personal property Taxes and similar *ad valorem* obligations levied with respect to the Company for a taxable period which includes (but does not end on) the Closing Date (collectively, the “**Apportioned Obligations**”) will be apportioned between the Seller, on the one hand, and Buyer, on the other hand, as of the Closing Date based on the number of days of such taxable period on or prior to the Closing Date and the number of days of such taxable period after the Closing Date (it being understood that (x) The Seller is responsible for the portion of each such Apportioned Obligations attributable to the number of days on or before the Closing Date in the relevant assessment period, (y) Buyer is responsible for the portion of each such Apportioned Obligations attributable to the number of days after the Closing Date in the relevant assessment period, and (z) each Party shall be entitled to reimbursement for the payment of any part of the other Party’s portion of any Apportioned Obligations).

- All refunds of Taxes related to the Company for any period prior to the Closing shall be the property of the Seller. To the extent that Buyer or the Company receives a Tax refund that is the property of the Seller to this Section 4.4(c),
- (c) Buyer shall promptly pay to each Seller an amount of such Tax refund proportional to such Seller’s ownership of the Membership Interests prior to the Closing (including any interest thereon actually received from the Governmental Authority).

## **ARTICLE V** **CLOSING**

### **5.1 Closing Arrangements and Conditions**

- (a) Subject to the terms and conditions hereof, the Closing shall take place at on the date hereof by the electronic exchange of documents, or at such other place or places as may be mutually agreed upon by all of the Parties.

- (b) Conditions to Buyer’s Obligation to Close. The Buyer’s obligation to consummate the purchase of the Membership Interests hereunder is subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

- The representations and warranties of the Seller and the Company were true and correct in all material respects when made and shall be true and correct in all material respects at the Closing as though made again at the
- (i) Closing Date (except to the extent such representations and warranties expressly relate to an earlier date, including the date hereof, in which case such representations and warranties shall be true and correct in all material respects on and as of such earlier date);
- (ii) The Seller and the Company shall have performed and complied with all obligations and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing in all material respects;

- (iii) To the Seller’s and the Company’s knowledge, no statute, rule, regulation, order, decree or injunction shall have been enacted, entered, promulgated or enforced by any court of governmental authority, which enjoins or prohibits the consummation of this Agreement and shall be in effect;

- (iv) To the Seller’s and the Company’s knowledge, there shall not be pending or threatened in writing any action, proceeding, or other application before any court or governmental authority challenging or seeking to restrain or prohibit the consummation of the transactions contemplated by this Agreement;

- (v) The Seller and the Company shall have obtained in a timely fashion any all consents, permits and waivers necessary or appropriate for consummation of the transactions contemplated by this Agreement; and

- (vi) The completion of the review of listing of additional shares notification form by Nasdaq Stock Market; and

(vii) The closing deliverables set forth in Section 5.2 shall have been delivered to the Buyer.

(c) Conditions to the Seller's and the Company's Obligation to Close. The Seller's and the Company's obligation to consummate the sale of the Membership Interests hereunder is subject to the fulfilment, prior to or at the Closing, of each of the following conditions:

- (i) The representations and warranties of the Buyer were true and correct in all material respects when made and shall be true and correct in all material respects at the Closing as though made again at the Closing Date (except to the extent such representations and warranties expressly relate to an earlier date, including the date hereof, in which case such representations and warranties shall be true and correct in all material respects on and as of such earlier date);
- (ii) The Buyer shall have performed and complied with all obligations and covenants required by this Agreement to be performed or complied with by it prior to or at the Closing in all material respects;
- (iii) The Buyer has delivered the Share Consideration to each of the Seller in the amount as set forth in the Schedule I attached hereto.

## 5.2 Closing Deliverables

At or before the Closing, the Seller and the Company, as applicable, shall execute, or cause to be executed, and shall deliver, or cause to be delivered, to Buyer, all agreements, instruments, notices, certificates and other documents, or counterpart signatures thereof, which are required to be delivered by the Seller and the Company, as applicable, pursuant to the provisions of this Agreement, and Buyer shall execute, or cause to be executed, and shall deliver, or cause to be delivered to the Seller all directions and all agreements, instruments, notices, certificates and other documents, or counterpart signatures thereof, which Buyer is required to deliver or cause to be delivered pursuant to the provisions of this Agreement, including the following:

- (a) *Deliverables to be delivered by the Seller and the Company:*
  - (i) this Agreement, duly executed by the Seller and the Company;
  - (ii) certified copies of all necessary Company resolutions, authorizations and proceedings of the directors, members or managers of the Company that are required to be taken or obtained to authorize the execution, delivery and performance of this Agreement and completion of such other transactions contemplated herein;
  - (iii) evidence of discharge of all Encumbrances (or arrangements satisfactory to the Buyer thereof);
  - (iv) resignations of Company officers and/or directors as requested by Buyer; and
  - (v) all such other documents and instruments that are incidental to the foregoing as the Buyer may reasonably require.
- (b) *Deliverables to be delivered or cause to be delivered by Buyer:*
  - (i) this Agreement, duly executed by Buyer and the Company;
  - (ii) Instruction letter to the transfer agent for the issuance of the Share Compensation to the Seller; and
  - (iii) all such other documents and instruments that the Seller may reasonably require in connection with the transactions contemplated hereby.

**ARTICLE VI**  
**INDEMNIFICATION**

**6.1 Indemnity by the Seller and the Company**

Subject to the provisions of the other sections of this Article VI, the Seller and the Company hereby agree, jointly and severally, to indemnify and hold harmless Buyer and any and all of their officers, directors, managers, members, agents and other Affiliates (collectively, the “**Buyer Parties**”) from and against any and all claims, losses, damages, costs (including attorneys’ and paralegals’ fees, as well as remediation costs, fines and penalties), expenses and liabilities, of every kind and nature, whether known or unknown, choate or inchoate (collectively, “**Losses**”), which may be made or brought against any Buyer Party, or which any Buyer Party may suffer or incur as a result of, in respect of or arising out of:

- (a) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by the Seller or the Company in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated hereby;

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- (b) any non-performance or non-fulfillment of any covenant or agreement on the part of the Seller or the Company contained in this Agreement or in any document given in order to carry out the transactions contemplated hereby;
- (c) any liability or obligation of the Seller or the Company for Taxes, including, without limitation, (i) any Taxes arising as a result of the Seller’s ownership or operation of the Company and the Business prior to the Closing Date, and (ii) any Transfer Taxes or other Taxes which are the obligation of the Seller under this Agreement, as a transferee or successor, by contract, or otherwise; and

**6.2 Indemnity by Buyer**

Buyer hereby agrees to indemnify and hold harmless the Seller and the Company, any and all of their respective officers, directors, managers, members, agents and other Affiliates (the “**Seller Parties**”) from and against any Losses which may be made or brought against the Seller Parties or which the Seller Parties may suffer or incur as a result of, in respect of or arising out of:

- (a) any non-performance or non-fulfillment of any covenant or agreement on the part of Buyer contained in this Agreement or in any document given thereby in order to carry out the transactions contemplated hereby; and
- (b) any misrepresentation, inaccuracy, incorrectness or breach of any representation or warranty made by Buyer contained in this Agreement or contained in any document or certificate given in order to carry out the transactions contemplated hereby.

**6.3 Indemnification Cap**

In no event shall the aggregate indemnification to be paid by any Seller under this Article VII exceed the greater of (x) the product of the Purchase Price multiplied by the proportion of such Seller’s Membership Interests to the total amount of Membership Interests (the “**Seller Purchase Price**”), or (y) the product of (i) the average closing price of the Ordinary Shares on the NASDAQ Capital Market (or succeeding trading market) over the five (5) Business Days preceding the Determination Date (as defined below) multiplied by (ii) the number of Ordinary Shares received by such Seller upon the consummation of the transactions contemplated hereby (the “**Individual Seller Cap**”). Notwithstanding the foregoing, the Individual Seller Cap shall not apply to claims for indemnification resulting from or relating to breaches by such Seller constituting fraud or intentional misconduct. In no event shall the aggregate indemnification to be paid by Buyer under this Article VI exceed the Purchase Price.

As used herein, “**Determination Date**” shall mean the date on which a Seller first receives a claim for indemnification from the Buyer.

**ARTICLE VII**  
**GENERAL PROVISIONS**

## 7.1 Further Assurances

Each of the Company, the Seller and Buyer hereby covenant and agree that, at any time and from time to time after the Closing Date, such Party will, upon the request of any other Party, do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, assignments, transfers, conveyances and assurances as may be reasonably required for the better carrying out and performance of all the terms of this Agreement.

## 7.2 Remedies Cumulative

Except as otherwise provided in Article VI, the rights and remedies of the Parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any Party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such Party may be lawfully entitled for the same default or breach.

## 7.3 Notices

- (a) Any notice, designation, communication, request, demand or other document, required or permitted to be given or sent or delivered hereunder to any Party hereto shall be in writing and shall be sufficiently given or sent or delivered if it is:
  - (i) delivered via courier to such Party; or
  - (ii) sent to the Party entitled to receive it by mail, postage prepaid; or
  - (iii) delivered via email to such Party.
- (b) Notices shall be sent to the following addresses:

**Company and the Seller:**

620 s Virgil Ave, Apt 225, Los Angeles, CA 90007

**The Buyer:**

Paranovus Entertainment Technology Ltd.  
No. 11, Dongjiao East Road, Shuangxi, Shunchang, Nanping City  
Fujian Province, People's Republic of China  
Attn: Sophie Tao, Chief Financial Officer  
Email: sophie@fjxfl.com

With a copy (for informational purposes only) to the Buyer's Counsel:

Hunter Taubman Fischer & Li LLC  
950 Third Avenue, 19<sup>th</sup> Floor  
New York, NY 10022  
Attn: Joan Wu, Esq.  
Email: jwu@htflawyers.com

Or to such other address as the Party entitled to or receiving such notice, designation, communication, request, demand or other document shall, by a notice given in accordance with this Section 7.3(b), have communicated to the Party giving or sending or delivering such notice, designation, communication, request, demand or other document.

If delivered as aforesaid, be deemed to have been given, sent, delivered and received on the date of delivery; and if sent by mail as aforesaid, be deemed to have been given, sent, delivered and received on the fifth (5th) Business Day following the date of mailing.

#### **7.4 Counterparts**

This Agreement may be executed in a number of counterparts; all of which when taken together shall be considered on and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a “.pdf” format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or “.pdf” signature page were an original thereof.

#### **7.5 Expenses of Parties**

Except as otherwise expressly provided herein, the Parties hereto shall pay their own respective expenses incident to the preparation of this Agreement and to the consummation of the transactions provided for herein.

#### **7.6 Successors and Assigns**

This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns, as the case may be. Notwithstanding the foregoing, however, this Agreement may not be assigned by the Seller, and may not be assigned by Buyer except to another entity under common control with Buyer upon prior written notice to the Seller. Nothing herein, express or implied, is intended to confer upon any Person, other than the Parties hereto and their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

#### **7.7 Entire Agreement**

This Agreement, attached Exhibits, together with any confidentiality agreement entered into in respect of the Company prior to the date of this Agreement, constitute the entire agreement between the Parties hereto and, except as otherwise stipulated herein, supersede all prior agreements, representations, warranties, statements, promises, information, arrangements and understandings, whether oral or written, express or implied, with respect to the subject matter hereof.

#### **7.8 Survival**

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall survive the Closing and shall continue in full force and effect. Closing shall not prejudice any right of one Party against the other Party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

#### **7.9 Additional Remedies**

Each of the Parties hereto acknowledges and understands that non-performance or threatened non-performance of the covenants contained herein may not be compensable in damages. Accordingly, each of the Parties agrees and accepts that any adverse Party may, in addition to any other remedy for relief, enforce the performance of any covenant of this Agreement by injunction or specific performance upon application to a court of competent jurisdiction without proof of actual damages to such Party or notwithstanding that damages may be readily quantifiable and each of the Parties agrees not to plead sufficiency of damages as a defense in any proceeding for such injunctive relief brought by the other Party.

#### **7.10 Severability**

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction. If the final judgment of a court of competent jurisdiction declares that any term or

provision hereof is invalid or unenforceable, the Parties agree that the court making the determination of invalidity or unenforceability shall have the power to limit the term or provision, to delete specific words or phrases, or to replace any invalid or unenforceable term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Agreement shall be enforceable as so modified

#### **7.11 Waiver**

Any Party hereto which is entitled to the benefits of this Agreement may, and has the right to, waive any term or condition hereof at any time on or prior to the Closing; *provided, however*, that such waiver shall be evidenced by written instrument duly executed on behalf of such Party.

#### **7.12 Submission to Jurisdiction**

Any action, suit or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any of the Parties in any state or federal courts located in New York, New York, and each of the Parties consents to the exclusive jurisdiction of such courts in any such action, suit or proceeding and waives any objection to venue laid therein. Each of the Parties hereto hereby consents to service of process in any such suit, action or proceeding in any manner permitted by the laws of the State of New York and waives and agrees not to assert by way of motion, as a defense or otherwise, in any such action, suit or proceeding any claim that service of process made in accordance with this Agreement does not constitute good and sufficient service of process.

#### **7.13 Amendments**

No modification or amendment to this Agreement may be made unless agreed to by the Parties hereto in writing.

*[signature page follows]*

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#### **BUYER:**

**Paranovus Entertainment Technology Ltd.**

By: /s/ Xuezhu Wang

Name: Xuezhu Wang

Title: Chief Executive Officer

#### **COMPANY:**

**2lab3 LLC**

By: /s/ Chuixin Kong

Name: Chuixin Kong

Title: Chief Executive Officer

#### **SELLER**

By: /s/ Chuixin Kong

Name: Chuixin Kong

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