

Dated the 7<sup>th</sup> day of February 2024

**MILLION RANK (HK) LIMITED**  
百階(香港)有限公司

**HANG SANG (SIU PO) HOLDING LIMITED**

**SKY HONOR HOLDINGS LIMITED**  
天耀集團有限公司

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**SALE AND PURCHASE AGREEMENT**  
**relating to 91% of the issued share capital of**  
**SKY HONOR HOLDINGS LIMITED**  
天耀集團有限公司

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**RAYMOND SIU & LAWYERS**  
Units 1302-3 (Reception) & 1802,  
Ruttonjee House,  
11 Duddell Street, Central,  
Hong Kong

*Execution Version*

**THIS AGREEMENT** is made the 7<sup>th</sup> day of February 2024

**BETWEEN**

- (1) **MILLION RANK (HK) LIMITED** (百階(香港)有限公司), a limited liability company incorporated under the laws of Hong Kong, whose registered office is situated at 5/F., Paramount Building, 12 Ka Yip Street, Chai Wan, Hong Kong (the “**Vendor**”);
- (2) **HANG SANG (SIU PO) HOLDING LIMITED**, a limited liability company incorporated under the laws of the British Virgin Islands, whose registered office is situated at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands, VG 1110 (the “**Purchaser**”); and
- (3) **SKY HONOR HOLDINGS LIMITED** (天耀集團有限公司), a limited company incorporated under the laws of Hong Kong, whose registered office is situated at 5/F., Paramount Building, 12 Ka Yip Street, Chai Wan, Hong Kong (the “**Company**”).

**RECITALS:-**

- (A) The Vendor is the legal and beneficial owner of the entire issued share capital of the Company.
- (B) The Purchaser is a wholly-owned subsidiary of the Listco.
- (C) The Company is a private company limited by shares incorporated in Hong Kong. The entire issued share capital of the Company is HK\$100 divided into 100 ordinary shares.
- (D) The Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares from the Vendor at the Completion Date (as hereinafter defined) upon the terms and conditions set out in this Agreement.
- (E) The Company operates a café under the name of “Pick Coffee” at the Store.

**NOW IT IS HEREBY AGREED** as follows:-

**1. DEFINITIONS AND INTERPRETATIONS**

- 1.1 The Recitals and the Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement and any reference to this Agreement shall include the Recitals and the Schedules.
- 1.2 In this Agreement except where the context otherwise requires, the following words and expressions shall have the following meanings:-

“Assets”	those material assets currently owned or used the Company, details of which are set out in the Management Accounts;
“Balance”	the Consideration less the Deposit;
“Board”	the board of directors of the Company for the time being;
“Business Day”	a day (excluding Saturday, Sunday and public holiday) on which commercial banks in Hong Kong are open for general banking transaction;
“Business Hours”	any time between 9:30 a.m. to 5:00 p.m. on a Business Day;
“Company”	Sky Honor Holdings Limited (天耀集團有限公司), a private company limited by shares incorporated in Hong Kong, details of which are set out in Schedule 1;
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong;
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with Clause 5 hereof;
“Completion Accounts”	the unaudited accounts of the Company comprising the balance sheets of the Company as at the Completion Date and the profit and loss accounts of the Company for the period commencing from 1 September 2023 to the Completion Date;
“Completion Date”	any day within 14 days from the date of this Agreement (or such later date as the Vendor and the Purchaser may agree in writing);
“Consideration”	the total amount of consideration for the sale and purchase of the Sale Shares as set out in Clause 3.1 hereof;
“Deposit”	the refundable deposit and part payment of HK\$1,000,000 payable by the Purchaser under this Agreement;
“Disclosed”	in relation to any matter, a matter which has been disclosed to the Purchaser, and/or their professional advisers and/or agents in writing prior to the date hereof, in this Agreement, the Management Accounts and the Completion Accounts, provided that no letter, document

	or other communication shall be deemed to constitute a disclosure for the purposes of this Agreement unless the same is accepted as such by the Purchaser;
“Dividends”	all dividends, interest and other sums which are or may become payable by the Company to any person in its capacity as shareholder of the Company and includes: <ul style="list-style-type: none"> <li>(i) the right to receive any and all such sums and all claims in respect of any default in paying such sums; and</li> <li>(ii) all forms of remittance of such sums and any bank or other account to which such sums may be paid or credited;</li> </ul>
“HK\$”	Hong Kong dollars;
“Hong Kong”	the Hong Kong Special Administrative Region;
“Intellectual Property Rights”	collectively, <ul style="list-style-type: none"> <li>(i) patents, trade marks, service marks, registered designs, applications for any of the foregoing, trade and business names, unregistered trade names or marks and service marks, copyrights, rights in designs and inventions;</li> <li>(ii) rights under licences, consents, orders, statutes or otherwise in relation to a thing in paragraph (i); and</li> <li>(iii) rights or things of the same or similar effect or nature as to those in paragraphs (i) and (ii),</li> </ul> in each case in any part of the world;
“Judgement”	the judgement delivered by the courts of Hong Kong;
“Liabilities”	the total liabilities of the Company whether actual or contingent as at Completion, and for the avoidance of doubt, including all provisions for taxation and bad debts and advance from customers for coupons;
“Listco”	Hang Sang (Siu Po) International Holding Company Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on The

	Stock Exchange of Hong Kong Limited (stock code: 3626);
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Management Accounts”	the unaudited accounts of the Company comprising the balance sheets of the Company as at the Management Accounts Date and the profit and loss accounts of the Company for the period commencing from its date of incorporation to the Management Accounts Date;
“Management Accounts Date”	31 August 2023;
“Sale Shares”	the total of 91 ordinary shares in the capital of the Company (being 91% of its issued share capital), which are legally and beneficially owned by the Vendor;
“Shareholders’ Agreement”	the shareholders’ agreement in the agreed form to be entered into between the Vendor, the Purchaser and the Company upon Completion;
“Store”	the real properties located at Counter G016 and G023, Eslite Spectrum, G/F, Cityplaza, Tai Koo Shing Road, Hong Kong, in which the Company carries out its business;
“Tax”	amount payable or become payable for Taxation;
“Tax Indemnity”	the tax indemnity in the form of the deed as set out in Schedule 3 hereto;
“Taxation”	<p>(i) any liability to any form of taxation, duties, imposts, levies or rates, and without prejudice to the generality of the foregoing, includes profits tax, provisional profits tax, interest tax, salaries tax, property tax, taxes on income, capital duty, estate duty, stamp duty, rates, customs and excise duties and other similar liabilities and generally any tax, duty, impost, levy or rates or any amount payable to any revenue, customs or fiscal authorities; and</p> <p>(ii) all interest, penalties, costs, charges and expenses incidental or relating to the liability to all forms of taxation, duty, impost, levy or rates or the</p>

deprivation of any relief, allowance, set-off, deduction in computing profits or credit granted by or pursuant to any legislation or otherwise relating to all forms of taxation, duty, impost, levy or rates, or of a right to repayment of taxation, duty, impost, levy or rates;

“Tenancy Agreement” the 2 tenancy agreements in respect of the Store entered into by the Company, details of which are set out in Schedule 2;

“Warranties” the representations, warranties and undertakings contained or referred to in Schedule 4 hereto.

- 1.3 Words and phrases the definitions of which are contained or referred to in the Companies Ordinance shall be construed as having the meanings thereby attributed to them.
- 1.4 References in this Agreement to statutes and to statutory provisions shall be construed as references to those statutes or statutory provisions as respectively modified (on or before the date hereof) or re-enacted (whether before or after the date hereof) from time to time and to any orders, regulations, instruments or subordinate legislation made under the relevant statutes or provisions thereof and shall include references to any repealed statute or provisions thereof which has been so re-enacted (with or without modifications).
- 1.5 The headings are for convenience only and shall not affect the construction of this Agreement.
- 1.6 Except where the context otherwise requires words denoting the singular include the plural and vice versa; words denoting any one gender include all genders; words denoting persons include incorporations and firms and vice versa.
- 1.7 Reference to clauses, sub-clauses, paragraphs and schedules are to clauses, sub-clauses, paragraphs and schedules of this Agreement.

## **2. AGREEMENT TO SELL AND PURCHASE THE SALE SHARES**

- 2.1 Subject to the terms of this Agreement, the Vendor shall as the legal and beneficial owner sell the Sale Shares and the Purchaser shall purchase the Sale Shares with effect from the Completion Date free from all options, liens, charges, encumbrances, equities and other third party rights of any nature whatsoever and together with all rights of any nature whatsoever now or hereafter attaching or accruing to it including all rights to any Dividends or other distribution declared paid or made in respect of it after the date of this Agreement.
- 2.2 The Vendor hereby agrees to waive and to procure before Completion the irrevocable waiver of any restrictions on the transfer or issue which may exist in relation to the Sale Shares whether conferred by the articles of association of the Company or otherwise.

3. **CONSIDERATION**

3.1 The Consideration for the sale and purchase of the Sale Shares shall be HK\$8,645,000.

3.2 The Consideration shall be paid in the following manner:

- (a) upon the signing of this Agreement, the Purchaser shall pay the Deposit to the Vendor by way of cheque or telegraphic transfer; and
- (b) the Balance shall be paid by the Purchaser to the Vendor at Completion by way of cheque or telegraphic transfer.

3.3 The Vendor shall procure that the pro forma Completion Accounts be delivered to the Purchaser not less than one (1) Business Day prior to the Completion Date, showing the assets and liabilities of the Company as at the Completion Date. The Vendor shall provide the final Completion Accounts certified by itself to the Purchaser within 1 month from the Completion Date.

4. **CONDITIONS PRECEDENT**

4.1 The completion of the sale and purchase of the Sale Shares is conditional upon fulfilment of the following conditions:

- (a) the Warranties remaining true and accurate and not misleading at Completion as if repeated at Completion and at all times between the date of this Agreement and Completion;
- (b) the Purchaser notifying the Vendor in writing that in reliance of the Warranties and upon inspection and investigation of the documents in respect of the Company which may be required by the Purchaser before or after the execution of this Agreement and the legal, financial, technical, operational and other due diligence carried out by the Purchaser on the Company and the Sale Shares after the execution of this Agreement, it is fully satisfied with the legal, financial, operational and other aspects of the Company and the Sale Shares;
- (c) the compliance by the Listco and the Purchaser of all applicable requirements under the Listing Rules and the applicable laws; and
- (d) there is no material adverse change in the business, operation and financial conditions of the Company.

4.2 The Vendor hereby undertakes to the Purchaser that it will fully cooperate with the Purchaser or its agents or advisors on the due diligence process, including but not limited to, providing and allowing and procuring the Company to provide and allow the Purchaser

or its agents or advisors to have access to all information, data, contracts and other documents relating to the financial, legal and operational aspects of the Company or such other documents or information as may be reasonably requested by the Purchaser or its agents or its advisors from time to time.

- 4.3 The Purchaser may at its absolute discretion waive any of such conditions (other than the condition under Clause 4.1(c)) at any time by notice in writing to the Vendor.
- 4.4 The Vendor shall use its best endeavours to procure the fulfilment of the Conditions under Clause 4.1(a), (b) and (d) as soon as practicable but in any event no later than the Completion Date.
- 4.5 If any of the Conditions shall not have been fulfilled or waived pursuant to Clause 4.3 within 14 days from the date of this Agreement (or such later date as the Vendor and the Purchaser may agree in writing), then the Purchaser shall not be bound to proceed with the purchase of the Sale Shares and this Agreement shall cease to have any effect and no party shall have any claim under it against the other (without prejudice to the rights of any party in respect of antecedent breaches).

## 5. **COMPLETION**

- 5.1 Subject to the provisions in Clause 4, Completion shall take place at any time during the Business Hours on the Completion Date at the office of the solicitors acting for the Purchaser at Units 1302-3, 13/F, Ruttonjee House, 11 Duddell Street, Central, Hong Kong (or such other place as the Vendor and the Purchaser may agree) when all (but not some only) of the events mentioned in this Clause 5 shall take place.
- 5.2 Upon Completion, the Vendor shall:-
  - (a) deliver to the Purchaser:-
    - (i) the original instruments of transfer and bought & sold notes in favour of the Purchaser (or such person as it may designate) in respect of the Sale Shares duly executed by the Vendor;
    - (ii) the original existing share certificates in respect of the Sale Shares issued in the name of the Vendor for cancellation by the Company;
    - (iii) share certificate in respect of the Sale Shares issued in the name of the Purchaser (or such person as it may designate);
    - (iv) such waivers or consents as the Purchaser may reasonably require to enable the Purchaser or its nominees to become the legal and beneficial owners of any of the Sale Shares;
    - (v) a certified copy of the updated register of members of the Company showing the Purchaser or its nominees as the registered holder of the Sale Shares;



- (vi) two original counterparts of the Tax Indemnity, duly executed as at the Completion Date by the Vendor;
  - (vii) two original counterparts of the Shareholders' Agreement, duly executed as at the Completion Date by the Vendor and the Company;
  - (viii) the original minutes or resolutions of the directors of the Company approving those matters as set out in Clause 5.2(b) below;
  - (ix) the original minutes or resolutions of the directors of the Vendor approving this Agreement, the Shareholders' Agreement, the Tax Indemnity and the transactions contemplated thereunder;
  - (x) the originals of the certificate of incorporation, the current and past business registration certificates, the common seal(s) and all rubber chops, books of account (including financial records and bank statements), statutory records and minutes books (all of which shall be completed and up-to-date) of the Company together with all contracts, agreements, memorandum, documents and correspondence relating to the affairs of the Company and all its records;
  - (xi) the statutory book, unissued share certificates and other statutory records of the Company;
  - (xii) all the cheque books of the Company together with all statements and passbooks of the accounts of the Company and (if requested by the Purchaser) the appropriate forms for the amendments of the mandates for giving to the relevant banks;
  - (xiii) all the documents showing the chain of title to the Sale Shares;
  - (xiv) (if required) the originals of the letters of resignation of the relevant directors of the Company in the approved terms with confirmations that they have no claims against the Company of any nature whatsoever; and
  - (xv) such other documents as the Purchaser may reasonably request;
- (b) cause the Company to deliver to the Purchaser certified copies of the board resolutions and the shareholder's resolutions of the Company approving the transfer of the Sale Shares to the Purchaser, the appointment of any director nominated by the Purchaser, this Agreement, the Tax Indemnity and any related documents, in the final form as agreed by the Purchaser prior to the Completion.

5.3 The Vendor shall use its best endeavour to assist the Purchaser to complete all such other steps and procedures and sign all documents as necessary and proper in respect of and in connection with the transfer of the Sale Shares and the control of the management and operation of the Company.

- 5.4 Upon Completion and upon the Vendor having performed all its obligations under Clauses 5.2, 5.3 and 5.5 hereof, the Purchaser shall:-
- (a) proceed to arrange payment to the Vendor for the Balance by way of cheque or telegraphic transfer;
  - (b) deliver to the Vendor and the Company two original counterparts of the Shareholders' Agreement, duly executed as at the Completion Date by the Purchaser;
  - (c) deliver to the Vendor a certified copy of the directors' resolution of the Purchaser approving the acquisition of the Sale Shares, the execution of this Agreement, the Shareholders' Agreement and the payment of the Consideration to the Vendor.
- 5.5 Completion of the sale and purchase of all the Sale Shares shall take place concurrently. Accordingly, the Purchaser shall not be obliged to complete the sale or the purchase (as the case may be) of any of the Sale Shares unless the sale and purchase of all the Sale Shares is completed simultaneously in accordance with the terms of this Agreement.
- 5.6 If Completion has not taken place according to this Agreement, this Agreement shall be terminated. The Vendor shall refund all monies paid by the Purchaser to the Purchaser within 30 days from the date of the termination of this Agreement.

## **6. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS**

- 6.1 The Vendor represents, warrants and undertakes to and with the Purchaser that each of the statements set out in Schedule 4 is now and will at Completion be true and accurate in all material respects save as Disclosed.
- 6.2 The Warranties are given subject to matters fully, fairly and specifically Disclosed but no other information relating to the Company of which the Purchaser has knowledge (actual or constructive) and no investigation by or on behalf of the Purchaser shall prejudice any claim made by the Purchaser under the Warranties or operate to reduce any amount recoverable, and liability in respect thereof shall not be confined to breaches discovered before Completion. No letter, document or other communication shall be deemed to constitute a disclosure for the purposes of this Agreement.
- 6.3 The Vendor acknowledges that the Purchaser has entered into this Agreement in reliance upon the Warranties and have been induced by it to enter into this Agreement.
- 6.4 Without restricting the rights of the Purchaser or otherwise affecting the ability of the Purchaser to claim damages on any other basis available to it, in the event that any of the Warranties is proved to have been broken or proved to be untrue or misleading, the Vendor shall, on demand, pay to the Purchaser or, at the Purchaser' direction, the Company:
- (a) the amount necessary to put the Company into the position which would have

existed as if the Warranties had not been broken or (as the case may be) had been true and not misleading; and

- (b) all costs and expenses incurred by the Purchaser and the Company in connection with or as a result of such breach and any costs (including legal costs on a solicitor and own client basis), expenses or other liabilities which any of them may incur either before or after the commencement of any action in connection with (i) any legal proceedings in which the Purchaser claim that any of the Warranties has been broken or is untrue or misleading and in which Judgement is given for the Purchaser or (ii) the enforcement of any settlement of, or Judgement in respect of, such claim,

PROVIDED THAT (i) no claim shall be brought by the Purchaser against the Vendor in respect of any breach of Warranties whatsoever unless, if the Warranties is capable of remedy, the same has not been remedied within 30 days from the date on which the Purchaser informs the Vendor in writing that any Warranties has been breached; and (ii) the aggregate liability of the Vendor in respect of all claims by the Purchaser due to breach of Warranties and the Shortfall Compensation (as defined in Schedule 5) shall not, in any event, exceed the Consideration.

- 6.5 Each of the Warranties shall be separate and independent and, save as expressly provided to the contrary, shall not be limited by reference to or inference from any other Warranties or any other term of this Agreement, nor by anything as Disclosed which is not expressly referenced to the Warranties concerned.
- 6.6 The Vendor shall procure that (save only as may be necessary to give effect to this Agreement) neither it nor the Company shall do, allow or procure any act or omission before Completion which would constitute a breach of any of the Warranties if they were given at Completion or which would make any of the Warranties inaccurate or misleading if they were so given.
- 6.7 Each of the Warranties shall survive Completion.
- 6.8 The Vendor hereby undertakes to disclose promptly to the Purchaser in writing immediately upon becoming aware of the same, any matter, event or circumstance (including any omission to act) which may arise or become known to it after the date of this Agreement and before Completion which:-
  - (a) constitutes a breach of or is inconsistent with any of the Warranties; or
  - (b) has, or is likely to have, an adverse effect on the business, operation or financial position of the Company.
- 6.9 In the event of becoming evident on or before Completion that the Vendor is in breach of any of the Warranties or any other terms of this Agreement, the Purchaser may (without any liability on its part) rescind this Agreement by notice in writing to the Vendor.
- 6.10 The Vendor shall give to the Purchaser and its agents or advisors both before and after

Completion all such information and documentation relating to the Company and its business as the Purchaser shall reasonably require to enable it to satisfy itself as to the accuracy and due of observance of the Warranties.

- 6.11 The benefit of the Warranties may be assigned in whole or in part and without restriction by the person for the time being entitled thereto.
- 6.12 From the date of this Agreement until Completion, the Vendor shall procure that the Company shall not:
- (a) issue or agree to issue any share or loan or capital, or grant or agree to grant or redeem any option, or amend the terms of any existing option, or grant or agree to grant any right to acquire or subscribe any of its share or loan or capital;
  - (b) borrow or otherwise raise money or incur or discharge any indebtedness or create any security;
  - (c) enter into or terminate any contract or enter into any material capital commitment;
  - (d) depart from the ordinary course of its day to day business;
  - (e) create or permit to arise any lien, charge, pledge, mortgage or other security interest on or in respect of any of its undertaking, property or assets other than liens arising by operation of law;
  - (f) appoint any new directors or officers;
  - (g) increase or agree to increase the remuneration, commission and any benefit in kind of its directors, employees or officers, or make any loan or other payment or confer any benefit upon any such person or any of their dependents, or engage or dismiss any senior officers or have the terms of their employment varied;
  - (h) acquire or agree to acquire or dispose or agree to dispose of any material asset;
  - (i) alter or agree to alter the terms of any existing financing facilities or arrange any additional financing facilities;
  - (j) give any guarantee, indemnity, surety or security, other than guarantees, indemnity, surety or security given in relation to the facilities made available to or indebtedness owed by the Company or the obligations of the Company in the ordinary and usual course of business;
  - (k) terminate or allow to lapse any insurance policy now in effect or default under any provisions thereof;
  - (l) amend its constitutional documents; or

- (m) commence any litigations, arbitrations or other legal proceedings against any third party,

and the Vendor shall procure that the Purchaser be kept regularly informed of the affairs of the Company.

- 6.13 The Vendor hereby irrevocably and unconditionally grants an exclusive licence to the Company to use the trade name “Pick Coffee” and the registered trade mark “Pc Pick Coffee” (Hong Kong trade mark no. 306088618) for the operation of the business of the Store without any fees. The licence shall continue in effect from the Completion Date to 30 September 2027. For the avoidance of doubt, the licence is only applicable to the Store but not any other store or operation premises.
- 6.14 The Vendor hereby guarantees the net profit after taxation of the Company for the period between 1 March 2024 and 30 September 2027, details of which are set out in Schedule 5.
- 6.15 The Vendor hereby undertakes to, within 1 month from the Completion Date and at its own costs and expenses, do all things and sign all documents which may be necessary for employment of staff to work at the Store on market terms (which may include transfer of any staff currently employed by the Vendor on terms and conditions no more favourable than their respective current terms of employment and market terms).
- 6.16 The Vendor, the Purchaser and the Company agree that the Company shall be operated in the manner as set out in Schedule 6 after Completion.
- 6.17 The Vendor hereby irrevocably undertakes and covenants to the Purchaser and the Company that:
  - (a) it will, within 2 months from the Completion Date and at its own costs and expenses, do all acts and sign all documents to ensure that the business name of “Pick Coffee” is properly reflected in all the business registration certificate, general restaurant licence, signage, agreements (including but not limited to the Tenancy Agreements), letterhead, documents, other licences, approvals and materials without material interruption to the daily operation and business of the Company; and
  - (b) for as long as the Company is carrying on or engaging in the Business, it shall not, whether directly or indirectly, either for its own account or in conjunction with or on behalf of or for any other person(s), carry on, participate or be engaged, concerned or interested, directly or indirectly, either for its own account or in conjunction with or on behalf of or for any other person(s) or entity(ies), in any business which is or may be in competition with the business of the Company in the area of North Point, Quarry Bay and Taikoo Shing unless with the prior written consent of the Purchaser.

- 6.18 Upon Completion, the net assets value of the Company shall be more than the amount of issued and paid up share capital of the Company. The Vendor shall fully indemnify the Purchaser and the Company, and at all times keep the Purchaser and the Company full indemnified, all losses and damages from any shortfall in net assets value.
- 6.19 The Vendor, the Purchaser and the Company shall negotiate in good faith on the terms of the Shareholders' Agreement before Completion, the major terms of which are set out in Schedule 6.

## **7. COSTS**

- 7.1 Each party to this Agreement shall pay its own costs in relation to the negotiations leading up to the sale and purchase of the Sale Shares and to the preparation, execution and carrying into effect of this Agreement.
- 7.2 All stamp duty, taxes and fees payable in respect of the sale and purchase of the Sale Shares shall be borne as to 50% by the Vendor and as to 50% by the Purchaser.

## **8. CONFIDENTIALITY AND ANNOUNCEMENT**

- 8.1 Each party hereby undertakes to the others that it will not, at any time after the date of this Agreement, divulge or communicate to any person other than to its professional advisers who is subject to a confidentiality obligation, or when required by law or any rule of any regulatory body (including the Listing Rules), or upon the request of any regulatory body or authority or to its respective officers or employees whose province is to know the same, any confidential information concerning this Agreement.
- 8.2 No party hereto shall, except as required by law or any of any regulatory authority (including the Listing Rules), make any announcement or communication to the press, or any person who is not a party to this Agreement in connection with the transaction hereby contemplated or effected without the prior written approval of the other party. The Vendor expressly acknowledges that the Listco is required under the Listing Rules to publish announcement on this Agreement and the transactions contemplated hereunder and the Vendor shall not unreasonably withhold or delay its approval for the Listco to publish the same.

## **9. COMPLETE AGREEMENT**

This Agreement represents the entire and complete agreement between the parties in relation to the subject matter hereof and supersedes any previous agreement whether written or oral in relation thereto. No variations to this Agreement shall be effective unless made or confirmed in writing and signed by all the parties hereto.

10. **ASSIGNMENT**

This Agreement shall be binding upon and inure for the benefit of each party's successors and assigns but, except as expressly provided herein, none of the rights of the parties under this Agreement shall be assigned or transferred to other third parties.

11. **REMAINING IN FORCE**

The provisions of this Agreement insofar as the same shall not have been performed at Completion shall remain in full force and effect notwithstanding Completion.

12. **TIME OF THE ESSENCE**

Time shall be of the essence of this Agreement, both as regards the dates and periods specifically mentioned and as to any dates and periods which may be substituted by Agreement in writing between or on behalf of the Vendor and the Purchaser.

13. **WAIVER, FORBEARANCE, VARIATION**

13.1 The rights of any party hereto shall not be prejudiced or restricted by any indulgence or forbearance extended to the other parties and no waiver by any party in respect of any breach shall operate as a waiver in respect of any subsequent breach.

13.2 This Agreement shall not be varied or cancelled, unless such variation or cancellation shall be expressly agreed in writing by a duly authorised director of each party.

14. **NOTICES**

14.1 Any notice required or permitted to be given hereunder may be delivered in person or by prepaid registered mail or by email to the parties at the following addresses or email addresses or such other addresses or email addresses as may be notified by either party from time to time.

To the Vendor:	Million Rank (HK) Limited Address: 5/F., Paramount Building, 12 Ka Yip Street, Chai Wan, Hong Kong Email address: operation@pokkacafe.com
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To the Purchaser:	Hang Sang (Siu Po) Holding Limited Address: Block C, 5/F, Gee Hing Chang Industrial Building, No. 16 Cheung Yue Street, Cheung Sha Wan, Kowloon, Hong Kong
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Email address: [hsinfo@hangsangpress.com](mailto:hsinfo@hangsangpress.com)

To the Company: Sky Honor Holdings Limited  
Address: 5/F., Paramount Building, 12 Ka Yip Street,  
Chai Wan, Hong Kong  
Email address: [operation@pokkacafe.com](mailto:operation@pokkacafe.com)

14.2 Any such notice and other communication shall be deemed to have been duly given or made as follows:

- (a) if sent by personal delivery, upon delivery at the address of the relevant party;
- (b) if sent by registered post, two Business Days after the date of posting; and
- (c) if sent by email, upon despatch without receipt of a “non-delivery” message.

## 15. COUNTERPARTS

This Agreement may be executed in any number of copies or counterparts by the different parties hereto on separate copies or counterparts, each of which when executed and delivered shall be an original but all the counterparts shall together constitute one and the same agreement.

## 16. SEVERABILITY

- 16.1 Each provision of this Agreement is severable and distinct from the others. If any provision of this Agreement (wholly or partly) is or becomes illegal, invalid or unenforceable, that shall not affect the legality, validity or enforceability, that shall not affect the legality, validity or enforceability of any other provision of this Agreement.
- 16.2 If any provision of this Agreement (wholly or partly) is or becomes illegal, invalid or unenforceable but would be legal, valid and enforceable if the provision or some part of the provision was deleted or modified, the provision or part of the provision in question shall apply with such deletions and modifications as may be necessary to make it legal, valid and enforceable.

## 17. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the law for the time being in force in the Hong Kong Special Administrative Region and the parties hereby agree to submit to the non-exclusive jurisdiction of the courts of the Hong Kong Special Administrative Region.



18. **RIGHTS OF THIRD PARTIES**

The Contracts (Rights of Third Parties) Ordinance shall not apply to this Agreement and a person who is not a party to this Agreement shall not be entitled to enforce the terms of this Agreement.

*[The remainder of this page is intentionally left blank.]*

**AS WITNESS** the parties hereto have caused this Agreement to be executed the day and year first above written.

**SIGNED** by Wong Shui Ching )  
for and on behalf of )  
**MILLION RANK (HK) LIMITED** )  
百階 (香港) 有限公司 )  
in the presence of :- )

For and on behalf of  
**MILLION RANK (HK) LIMITED**  
.....  
Authorized Signatories

**SIGNED** by )  
for and on behalf of )  
**HANG SANG (SIU PO) HOLDING** )  
**LIMITED** )  
in the presence of :- )

**SIGNED** by Wong Shui Ching )  
for and on behalf of )  
**SKY HONOR HOLDINGS** )  
**LIMITED** 天耀集團有限公司 )  
in the presence of :- )

For and on behalf of  
**SKY HONOR HOLDINGS LIMITED**  
天耀集團有限公司  
.....  
Authorized Signature(s)

*[Execution page of the Sale and Purchase Agreement relating to  
Sky Honor Holdings Limited 天耀集團有限公司]*

AS WITNESS the parties hereto have caused this Agreement to be executed the day and year first above written.

SIGNED by )  
for and on behalf of )  
MILLION RANK (HK) LIMITED )  
百階 (香港) 有限公司 )  
in the presence of :- )

SIGNED by Fung Man Wai Samson )  
for and on behalf of )  
HANG SANG (SIU PO) HOLDING )  
LIMITED )  
in the presence of :- )

For and on behalf of  
HANG SANG (SIU PO) HOLDING LIMITED

Authorized Signature(s)

SIGNED by )  
for and on behalf of )  
SKY HONOR HOLDINGS )  
LIMITED 天耀集團有限公司 )  
in the presence of :- )

[Execution page of the Sale and Purchase Agreement relating to  
Sky Honor Holdings Limited 天耀集團有限公司]

## **SCHEDULE 1**

### **Details of the Company**

- |     |                               |   |
|-----|-------------------------------|---|
| 1.  | Name:                         | Sky Honor Holdings Limited 天耀集團有限公司                             |
| 2.  | Registered Office Address:    | 5/F., Paramount Building, 12 Ka Yip Street, Chai Wan, Hong Kong |
| 3.  | Business Registration Number: | 74343983  |
| 4.  | Date of Incorporation:        | 18 August 2022  |
| 5.  | Place of Incorporation:       | Hong Kong   |
| 6.  | Type of Company:              | Private company limited by shares                               |
| 7.  | Issued share capital:         | HK\$100.00  |
| 8.  | Sole Shareholder:             | Million Rank (HK) Limited<br>百階(香港)有限公司<br>(100 share)          |
| 9.  | Sole Director:                | WONG Shui Ching 黃水晶   |
| 10. | Secretary:                    | Prime Professional Services Limited<br>時信專業服務有限公司               |

## **SCHEDULE 2**

### **Tenancy Agreements**

#### **Tenancy Agreement 1**

Date	22 December 2022
Landlord	Eslite Spectrum Hong Kong Limited 香港誠品生活有限公司
Tenant	The Company
Premise	Counter G016, Eslite Spectrum, G/F, Cityplaza, 18 Tai Koo Shing Road, Hong Kong
Gross floor area	2,185 square feet
Term of tenancy	1 November 2022 to 30 September 2027
Rental	15% of the amount of revenue, subject to the minimum of: <ul style="list-style-type: none"><li>● HK\$120,000 each month during the period between 1 November 2022 and 30 September 2025; and</li><li>● HK\$154,400 each month during the period between 1 October 2025 and 30 September 2027</li></ul>
Rental Deposit	HK\$268,800
Management fees	<ul style="list-style-type: none"><li>● 設櫃管理費: HK\$17,500 per month</li><li>● 營運管理費: HK\$22,000 per month</li></ul>

#### **Tenancy Agreement 2**

Date	4 October 2023
Landlord	Eslite Spectrum Hong Kong Limited 香港誠品生活有限公司
Tenant	The Company
Premise	Counter G023, Eslite Spectrum, G/F, Cityplaza, 18 Tai Koo Shing Road, Hong Kong
Gross floor area	301 square feet
Term of tenancy	24 January 2024 to 30 September 2027

Rental	15% of the amount of revenue
Rental Deposit	HK\$12,000

### **SCHEDULE 3**

#### **Deed of Tax Indemnity**

**THIS DEED OF INDEMNITY** is made the                      day of                      2024

#### **EXECUTED BY:-**

- (1) **MILLION RANK (HK) LIMITED** (百階(香港)有限公司), a limited liability company incorporated under the laws of Hong Kong, whose registered office is situated at 5/F., Paramount Building, 12 Ka Yip Street, Chai Wan, Hong Kong (the “**Vendor**”);

#### **IN FAVOUR OF:**

- (2) **HANG SANG (SIU PO) HOLDING LIMITED**, a limited liability company incorporated under the laws of the British Virgin Islands, whose registered office is situated at Commerce House, Wickhams Cay 1, P.O. Box 3140, Road Town, Tortola, British Virgin Islands, VG 1110 (the “**Purchaser**”); and
- (3) **SKY HONOR HOLDINGS LIMITED** (天耀集團有限公司), a limited company incorporated under the laws of Hong Kong, whose registered office is situated at 5/F., Paramount Building, 12 Ka Yip Street, Chai Wan, Hong Kong (the “**Company**”).

#### **1. DEFINITIONS**

1.01 In this Deed, in addition to the above definitions, the following words and expressions shall have the following meanings:-

“Taxation” means (i) any proven liability to any form of taxation, duty, impost, levy, rate, or other amount payable to any revenue, customs or fiscal authorities whenever created or imposed and of Hong Kong and any part of the world, including, without limitation, profits tax, provisional profits tax, interest tax, salaries tax, property tax, taxes on income, estate duty, capital duty, stamp duty, payroll tax, rates, customs and excise duties and other similar liabilities, (ii) such an amount or amounts as referred to in Clause 1.03 and (iii) all interest, penalties, costs, charges and expenses incidental or relating to the liability to Taxation or the deprivation of any Relief which is the subject of this indemnity to the extent that the same is payable or suffered by the Company;

“Claim” includes any assessment, notice, demand or other document issued or action taken by or on behalf of the Inland Revenue Department of Hong Kong or any other statutory or central, provincial, regional or local governmental authority whatsoever in Hong Kong or in any other part of the world from which it appears that the Company is liable or are sought to be made liable for any payment of any form of Taxation or to be deprived of any Relief which Relief would, but for the Claim, have been available to the Company;

“Relief” includes any relief, allowance, set-off or deduction in computing profits or credit or right to repayment of Taxation available to the Company granted by or pursuant to any legislation concerning or otherwise relating to Taxation; and

“the Agreement” means the agreement dated the       day of       made between the Vendor, the Purchaser and the Company for the sale and purchase of 91% of the issued share capital of the Company pursuant to which this Deed has been entered into.

- 1.02 In this Deed, references to Clauses are to clauses of this Deed, words importing the singular include the plural and vice versa, words importing the gender include any gender, references to persons include bodies corporate or unincorporate and the headings to the Clauses in this Deed are for convenience only and have no legal effect.
- 1.03 In the event of any deprivation of any Relief, there shall be treated as an amount of Taxation for which liability has arisen the amount of such Relief, applying the relevant rates of Taxation in force in the period or periods in respect of which Relief would have applied or (where the rate has at the relevant time not been fixed) the last known rate and assuming that such amount of Relief was capable of full utilisation by the Company.
- 1.04 Words and phrases defined in the Agreement shall have the same meaning when used in this Deed.

## 2. INDEMNITY

- 2.01 Subject as hereinafter provided, the Vendor hereby jointly and severally covenant and agree with the Purchaser and the Company that they shall fully and effectually indemnify and at all times keep fully and effectually indemnified each of them from and against:-

(a) 91% of the amount of any and all Taxation falling on the Company resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring up to the date hereof, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such Taxation is chargeable against or attributable to any other person, firm or company, including any and all Taxation resulting from the receipt by the Company or the Purchaser of any amounts paid by the Vendor under this Deed;

(b) any and all costs (including all legal costs), expenses or other liabilities which the Purchaser or the Company may incur in connection with:-

- (i) the settlement of any claim under this Deed;
- (ii) any legal proceedings in which the Purchaser or the Company claims under or in respect of this Deed and in which Judgement is given for the Purchaser or the Company; or the enforcement of any such settlement or Judgement.



2.02 This indemnity does not cover any Claim and the Vendor shall be under no liability under this Deed in respect of Taxation:-

(a) to the extent that provision has been made for such Taxation in the Completion Accounts; or

(b) for which the Company is primarily liable as a result of transactions in the ordinary course of normal day to day trading operations since the date hereof.

2.03 No claim under this Deed of Indemnity shall be made by more than one of the Company and the Purchaser in respect of the same Taxation. No claim under this Deed of Indemnity shall be made if a claim in respect thereof has been made under the Agreement.

2.05 No claim may be brought against the Vendor in respect of any Claim after the expiry of eighty-four (84) calendar months from the date hereof and the Vendor shall not be liable for any Claim unless the Vendor shall have received written notice from the Purchaser or the Company prior to the expiry of eighty-four (84) calendar months from the date hereof giving full and accurate details of the relevant Claim.

### 3. NOTICES

The provisions of Clause 14 of the Agreement (mutatis mutandis) shall be incorporated in and be deemed to be part of this Deed.

### 4. BINDING EFFECT

This Deed shall enure to the benefit of and be binding on each party and its respective successors and assigns.

### 5. ENTIRETY OF DEED AND SEVERABILITY

5.01 The terms and conditions herein contained constitute the entire agreement between the parties relating to the subject matter hereof and shall supersede all previous communications, oral or written, between the parties with respect to the subject matter hereof which are inconsistent with the provisions of this Deed.

5.02 Any provision of this Deed prohibited by or unlawful or unenforceable under any applicable law actually applied by any court of competent jurisdiction shall, to the extent required by such law, be severed from this Deed and rendered ineffective so far as is possible without modifying the remaining provisions of this Deed. Where, however, the provisions of any such applicable law may be waived, they are hereby waived by the parties hereto to the full extent permitted by such law to the end that this Deed shall be valid, binding and enforceable in accordance with its terms.

6. AMENDMENT

This Deed may be varied, amended or modified only by agreement under seal of all parties.

7. RELEASE OF OBLIGATIONS

Any liability of the Vendor under this Deed may, in whole or in part, be released, compounded or compromised by any one or more of the Company and/or the Purchaser, or time or other indulgence may be granted to the Vendor (or either of them) by the Company and/or the Purchaser, without in any way prejudicing or affecting any of its other rights, powers or remedies against the Vendor under any other liability hereunder.

8. TIME

Time shall be of the essence of this Deed.

9. LAW AND JURISDICTION

This Deed shall be governed by and construed in all respects in accordance with the laws of Hong Kong and the parties irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts in relation to any proceedings arising out of or in connection with this Deed, but this Deed may be enforced in any other courts of competent jurisdiction.

IN WITNESS whereof this Deed has been executed under seal the date first above written.

**EXECUTED AS A DEED** by )  
**MILLION RANK (HK) LIMITED** )  
 )  
 in the presence of :- )  
 )

## **SCHEDULE 4**

### **Representations, Warranties and Undertakings**

Subject to Disclosed, the Vendor hereby represents and warrants to and with the Purchaser the following:

#### **1. OWNERSHIP**

- 1.1 The Vendor is and will at Completion be the beneficial owner of the Sale Shares, which the Sale Shares shall be transferred to the Purchaser upon Completion free from all claims, charges, liens, encumbrances, third party rights and options of any kind whatsoever and no consent of any third party is required for the sale of the Sale Shares.
- 1.2 Neither the execution of this Agreement, nor the performance of any obligation of the Vendor thereunder will (a) violate any provision of any statute, the articles of association of the Company or other constitutional documents (including all shareholders' and directors' resolutions passed or purported to have been passed) of the Company, (b) violate any law, judgement, decree, order, regulation or rule of any court or government of any jurisdictions.

#### **2. AUTHORITY AND INFORMATION**

- 2.1 The Vendor has the right, power and authority to sell and transfer the Sale Shares free from any claims, charges, liens, encumbrances and options of any kind whatsoever.
- 2.2 The Vendor has the full power to enter into and perform its obligations under this Agreement and has complied with all statutory or other requirements relative thereto under the applicable laws and have obtained all necessary governmental or other consents, authorizations or approvals requisite for the transactions herein contemplated.
- 2.3 All other information contained in any written document or communication supplied to the Purchaser or any of its advisers by or on behalf of the Vendor is true and accurate and all copies of documents supplied have been true and complete copies of such documents.
- 2.4 All information relating to the Company which would materially influence the decision of a reasonable purchaser for value of the Sale Shares have been given to the Purchaser by the Vendor.

#### **3. CORPORATE STRUCTURE**

- 3.1 The Company is a corporation duly incorporated in Hong Kong and is validly existing and in good standing and the amount and particulars of its capital and other particulars as set out in Schedule 1 are and will on Completion be true and accurate and there has been no resolution, petition or order for the winding-up of the Company and no receiver has been appointed in respect thereof or any part of the assets thereof, nor is any such resolution, order or appointment imminent or likely.

- 3.2 The copies of the corporate documents and statutory records which have been supplied to the Purchaser are complete and accurate in all respects, having attached to them copies of all resolutions of the board of directors and shareholders and other documents required by law to be so attached and fully setting out the rights and restrictions attached to the share capital of the Company.
- 3.3 The information contained in Schedules 1 and 2 are and will at Completion be up-to-date, true, accurate and complete in all respects and are not misleading because of any omission or ambiguity or for any reason.
- 3.4 Save as disclosed in this Agreement, the Company has no shareholding, equity interest or other interest in any other company (subsidiary or otherwise), partnership, firm or other entity, whether in Hong Kong or elsewhere.

#### 4. SHARE CAPITAL

- 4.1 The Sale Shares are and will on Completion be 91% of the entire issued share capital of the Company and all of them are fully paid up and there is no outstanding call on them or any of them.
- 4.2 There is no option, right to acquire, transfer, mortgage, charge, pledge, lien or other form of security or encumbrance on, over or affecting any of the Sale Shares or any part of the share capital of the Company and there is no agreement or commitment to give or create any of the foregoing and no claim has been made by any person to be entitled to any of the foregoing.
- 4.3 There is no agreement or commitment outstanding which calls for the allotment or issue of or accords to any person the right to call for the allotment or issue of any shares or debentures in the Company.
- 4.4 The Company has not received any notice of any application or intended application or request for the rectification of its register of members. All stamp duty, capital duty or registration fee payable in connection with the Company has been duly paid and compliance has been made with all other legal requirements concerning the Company and all issues of shares, debentures or other securities thereof.
- 4.5 The Company has not at any time repaid or agreed to repay or redeem any shares of any class of its share capital or otherwise reduced or agreed to reduce its share capital or any class thereof or capitalised or agreed to capitalise in the form of shares or debentures or other securities or in paying up any amounts unpaid on any shares, debentures or other securities any profits or reserves of any class or description or passed or agreed to pass any resolution to do so.

#### 5. COMPLIANCE WITH LEGAL REQUIREMENTS

- 5.1 All documents required to be filed with the relevant governmental authorities in accordance with the relevant laws in respect of the Company have been correctly and properly prepared and duly filed.
- 5.2 The statutory books and minute books of the Company have been properly written up and contain (in respect of matters up to Completion) an accurate and complete record of the matters which should be dealt with in those books and no notice or allegation that any of them is incorrect or should be rectified has been received concerning the Company and all issues of shares or other securities (if any) thereof.
- 5.3 No resolution, petition or order is passed or made for the winding up of the Company and no receiver has been appointed in respect thereof or in respect of any part of its assets nor is any such resolution, petition, order or appointment in respect thereof or in respect of any part of its assets nor is any such resolution, petition, order or appointment imminent or likely and neither the Company has stopped payment of or is unable to pay its debts or is insolvent or has any unsatisfied judgement outstanding.
- 5.4 No outstanding notice has been served on the Company in respect of any of its contracts or assets or in respect of any contravention or non-compliance with or alleged contravention or alleged non-compliance with any obligation statutory or otherwise which are of material importance.
- 5.5 Compliance has been made with all legal requirements and other formalities in connection with the Company concerning (a) its articles of association or other constitutional documents (including all shareholders' and directors' resolutions passed or purported to have been passed); (b) the filing of all documents required by the relevant legislation in the relevant jurisdiction; (c) the issue of shares debentures or other securities; (d) the payments of interest and dividends and making of other distributions; and I its directors, secretary and other officers
- 5.6 All statutory obligations of the Company have been fully and properly performed and there has been no breach by the Company or any of its officers (in their capacity as such) of any legislation or regulations affecting it or its business, whether in the Hong Kong or elsewhere.

## 6. ACCOUNTS AND FINANCIAL MATTERS

- 6.1 The Management Accounts have complied with the requirements of all applicable legislation and were prepared in accordance with generally accepted accounting principles and practices in Hong Kong and in particular without prejudice to the generality of the foregoing:-
- (i) the Management Accounts have made full provision for all the actual liabilities of the Company as at the respective dates thereof without exception including, without limitation, all Taxation, bad and doubtful debts, depreciation, amortization, commission or other payments calculated on profits or income of the Company payable to any person, and for Dividends or other distributions declared or made or agreed to be made by the Company as at such dates and have made proper and

adequate provision for (or noted in accordance with generally accepted accountancy principles and practices in Hong Kong) all deferred or contingent liabilities (whether liquidated or unliquidated) and the reserves and provisions (if any) made therein for deferred Taxation and bad and doubtful debts relating to any period ending on or before such dates were proper and adequate; and

- (ii) the Management Accounts give a true and fair view of the profit and loss and the state of affairs and financial position of the Company for the relevant accounting periods respectively and are not affected by any unusual or non-recurring items not disclosed therein.

6.2 The Completion Accounts will comply with the requirements of all applicable legislation and are or will be prepared in accordance with generally accepted accounting principles and practices in Hong Kong and in particular without prejudice to the generality of the foregoing:

- (i) the Completion Accounts will make full provision for all the actual liabilities of the Company as at the dates thereof without exception including, without limitation, all Taxation, bad and doubtful debts, depreciation, amortization, commission or other payments calculated on profits or income of the Company payable to any person, and for Dividends or other distributions declared or made or agreed to be made by the Company as at such dates and will make proper and adequate provision for (or noted in accordance with generally accepted accountancy principles and practices in Hong Kong) all deferred or contingent liabilities (whether liquidated or unliquidated) and the reserves and provisions (if any) to be made therein for deferred Taxation and bad and doubtful debts relating to any period ending on or before such dates are proper and adequate; and
- (ii) the Completion Accounts will give a true and fair view of the profit and loss and the state of affairs and financial position of the Company for the relevant accounting periods respectively and are not affected by any unusual or non-recurring items not disclosed therein.

6.3 The accounting and other books and records of the Company have been properly written up-to-date and accurately present and reflect in accordance with generally accepted accounting principles in Hong Kong and standards as appropriate, all the transactions entered into by any member of the Company or to which it has been a party and contain particulars of all matters required by the laws and regulations in Hong Kong or other applicable legislation to be entered therein and there are at the date hereof no material inaccuracies or discrepancies of any kind contained or reflected in any of the said books and records, and at the date hereof they give and reflect a true and fair view of the financial position of the Company and of its fixed and current assets and liabilities, debtors and creditors as at the date hereof.

6.4 (i) The Company will not at Completion have any outstanding liability other than as Disclosed herein.

- (ii) The Company has no material trading or other stock or work in progress other than as Disclosed herein.

6.5 The Management Accounts reflect fairly the affairs of the Company at the date thereof.

6.6 The Company does not have any capital commitment or is engaged in any scheme or project requiring the expenditure of capital.

6.7 The Company owns free from encumbrance all its respective undertakings and assets shown or comprised in the Management Accounts and the Completion Accounts and all such assets are in its possession or under its control.

6.8 The Company does not hold any security (including any guarantee or indemnity) which is not valid and enforceable against the grantor thereof in accordance with its terms.

7. MATTERS SINCE THE DATE ON WHICH MANAGEMENT ACCOUNTS WERE MADE UP TO

7.1 Save as contemplated by this Agreement or consented to by the Purchaser, since the date on which the Management Accounts were made up to and pending Completion:

- (i) full and proper records and books of accounts of the transactions dealings and affairs of the Company have been and will be kept, and full and proper entries have been and will be made;
- (ii) the business of the Company has been and will continue to be carried on in the ordinary course of their business both as regards the nature, scope and manner of conducting their business and so as to maintain the business as a going concern and no fixed asset or stock has been written up and no unusual or abnormal contract has been entered into by the Company;
- (iii) there has been no material adverse change in the financial conditions or operations of the Company;
- (iv) no transaction of any material importance to which the Company has been party has taken place, which it had taken place on or before the date on which the Management Accounts were made up to would require to be disclosed or reflected in the Management Accounts

8. THE ASSETS

8.1 The Assets and other assets included in the Management Accounts and all assets used or owned by or in the possession of the Company:

- (i) are legally and beneficially owned by the Company free from any mortgage, charge, lien or similar encumbrance, any hire-purchase agreement or agreement for payment on deferred terms or bills of sale or lien, charge or other encumbrance;



- (ii) are in the possession or under the control of the Company;
- (iii) where purchased on terms that property does not pass until full payment has been made, have been paid for in full by the Company;
- (iv) are not subject to any hire purchase, leasing arrangements or other arrangements of a similar nature; and
- (v) comprise all the assets, property and rights which the Company owns.

## 9. BUSINESS

- 9.1 The Company carries on its business intra vires, solely under its corporate name and without infringement of any proprietary right or interest of any other person and without liability to pay any royalty or similar sum.
- 9.2 The Company does not require, or has not received any notification or indication that it may require, in order to carry on its business or to use any information, process or data or sales or promotional materials or any other item used or required to be used for the purpose of its business:
- (i) any consent of any governmental or other authority or of any other person except those of which complete or accurate particulars have been given to the Purchaser in writing; or
  - (ii) any proprietary right or interest.
- 9.3 Each of the consents referred to in paragraph 9.2 is valid and in force, the Company is not in breach of the terms of any such consent (including breach of any requirement relating to such consent to make returns or reports of supply information) and there is no circumstance which might invalidate any such consent or render it liable to forfeiture or modification or (in the case of renewable consent) affect its renewal.
- 9.4 After Completion, there will be no restriction on the right of the Company to carry on its business.
- 9.5 The Company has not manufactured, sold or supplied any product or service in the course of its business which does not in all respects comply with all applicable laws, regulations and standards, or which is defective or dangerous or not in accordance with any representation, warranty or other term (whether express or implied) given in respect of it; and it has no outstanding liability (including a contingent liability by virtue of the terms on which the product or service was sold) in respect of any such product or service or its repair, maintenance or replacement.

- 9.6 The business of the Company is managed exclusively by its directors and no person has authority to bind the Company other than its directors acting in the ordinary and ostensible course of their duties.
- 9.7 No director, officer, employee or agent of any member of the Company has paid any bribe (monetary or otherwise), given any inducement or otherwise used the assets of the Company unlawfully to obtain an advantage for any person.
10. FINANCIAL MATTER
- 10.1 The Company has sufficient working capital with which to carry on its business, in its present form and at its present level of turnover, for the period of twelve months following Completion and for the purposes of performing all orders and obligations placed with or undertaken by it before Completion
- 10.2 Since the Management Accounts Date, except as Disclosed, there has not been:
- (i) any damage, destruction, or loss, whether covered by insurance or not, materially and adversely affecting the business of the Company (taken as a whole);
  - (ii) any sale or transfer by the Company of any tangible or intangible asset other than in the ordinary course of business, any mortgage or pledge or the creation of any security interest, lien, or encumbrance on any such asset, or any lease of property, including equipment, other than tax liens with respect to taxes not yet due and statutory rights or customers in inventory and other assets;
  - (iii) any transaction not in the ordinary course of business of the Company;
  - (iv) the lapse of any licence by the Company which is material in the context of the business of the Company as a whole;
  - (v) the making of any loan, advance, indemnity or guarantee by the Company to or for the benefit of any person except the creation of accounts receivable in the ordinary course of business; or
  - (vi) an agreement to do any of the foregoing.
- 10.3 The Company does not have any material capital commitment or is engaged in any scheme or project requiring the expenditure of capital of a significant amount.
- 10.4 All Dividends or distributions declared, made or paid by the Company have been declared, made or paid in accordance with its memorandum and articles of association, the applicable statutory provisions and the relevant resolutions.
- 10.5 The Company has not as at the date hereof and will not, as at Completion, have outstanding:
- (i) any borrowing or indebtedness in the nature of borrowing or other credit facility;

- (ii) any mortgage, charge or debenture or any obligation (including a conditional obligation) to create a mortgage, charge or debenture;
- (iii) any liabilities outstanding under any guarantee or other contingent obligation.

## 11. DISPUTES/LITIGATION

- 11.1 The Company is not engaged in nor is there pending any material litigation, arbitration, prosecution, administrative, criminal or other material legal proceedings or in any material proceedings or hearings before any statutory or governmental body, department, board or agency and no such material litigation, arbitration, prosecution, administrative, criminal or other material legal proceedings are threatened or likely to be threatened.
- 11.2 No dispute has arisen between the Company and any bankers and there are no present circumstances (including Completion of this Agreement) which are likely to give rise to any such dispute.
- 11.3 No dispute has arisen between the Company and any of its former employees (if any) and there are no present circumstances (including Completion of this Agreement) which are likely to give rise to any such dispute.
- 11.4 Neither the Vendor nor any director or officer of the Company, nor the Company are under investigation by any department or authority of any government in any matter concerning the Company.

## 12. AGENTS

- 12.1 There are and will at Completion be no powers of attorney or any other special authorities (express or implied) being in force at the date hereof which has been given by the Company, other than those given in the ordinary course of its day to day business to directors.

## 13. TAXATION

- 13.1 All returns, notification, particulars, documents and statements required to be made or furnished by the Company to any person or governmental authority have been duly made up-to-date and on a proper basis and correct or furnished and, in particular, in respect of the liability of the Company to Tax under the relevant legislation for each year of assessment up to and including the last year of assessment since incorporation ended before the date hereof and there is no dispute or disagreement in respect of any accounts submitted to the relevant taxing authorities in connection with such returns, notifications, particulars, documents or statements.
- 13.2 The Company has paid or accounted to the relevant fiscal authorities for all Taxation (if any) due to be paid or so accounted for by them up to the date of this Agreement and taken all necessary steps (if any) to obtain any repayment of or relief from Taxation available to it.

13.3 The Management Accounts and the Completion Accounts make (or when prepared will make) reasonably adequate provisions to cover all Taxation (if any) in respect of all periods ending on or before the date thereof for which it was considered the Company was then or might thereafter become liable.

13.4 The Company has submitted all claims and disclaimers which have been assumed to have been made for the purposes of the Management Accounts and the Completion Accounts.

13.5 The Company has made all deductions in respect, or an account, of any tax from any payments made by them which they are obliged or entitled to make and has accounted in full to the appropriate authority for all amounts so deducted.

#### 14. DIRECTORS

14.1 The pre-existing director of the Company immediately before the execution of this Agreement will not resign upon the execution of this Agreement, and she will commit her best efforts to conduct full creative and day-to-day operational control of the Company subject to the Purchaser's determination as to her tenure14.2 After Completion, 3 directors of the Company shall be appointed by the Purchaser and 1 director of the Company shall be appointed by the Vendor.

#### 15. EMPLOYEES

15.1 The Company is not a party to:

- (i) any collective bargaining or procedural or other agreement with any trade union or similar association; or
- (ii) any agreement, arrangement or funds in respect of provident fund or any similar provident fund plan save and except those required by law.

15.2 The Company has not since the Management Accounts Date:

- (i) changed, or agreed to change, the terms of the appointment of its directors (including terms relating to pension benefits) of any person who was on the Management Accounts Date entitled to remuneration;
- (ii) paid or given, or agreed to pay or give, to any of its directors any remuneration or benefit, except the salary or wage to which he/ she is contractually entitled under the terms of his/ her employment; or
- (iii) been notified of any wage claim or agreed any general increase in wages or wage rates.

15.3 The Company is not under any liability or obligation or a party to any agreement, arrangement, scheme, fund, ex-gratia arrangement or promise to pay pensions, gratuities,

retirement annuities, benefits, periodic sums, or any other payment or compensation (whether or not enforceable) in connection with retirement, death or disability to or for any of its past or present officers or employees or their relatives or dependents; and there are no retirement benefit, or pension or death benefit, or similar schemes or arrangements in relation to or binding on the Company.

- 15.4 Particulars of all loans (if any) to director of the Company have been Disclosed.
- 15.5 The Company is not under any obligations (whether actual or contingent and whether or not disputed by the Company) to any former employee whether for breach of any contract of service, for compensation for wrongful dismissal or for unfair dismissal or for payment of any salaries, wages, pensions, gratuities, severance pay, long service payment, bonuses or otherwise howsoever or whatsoever and no tax, levy contribution or payment in respect of any former employee whether to any governmental authority, pension fund, scheme or trust or otherwise howsoever or whatsoever is outstanding or disputed.
- 15.6 All schemes or plans for the provision of benefits to employees of the Company comply in all respects with all applicable legislation and all necessary consents in relation to such schemes and plans have been obtained and remain in full force and effect.
- 15.7 The Company has not given any guarantee or assumed any obligations in relation to the employees of any other person.
- 15.8 All salaries and wages due to the directors, officers and employees of the Company for any period before the date of this Agreement have been paid in full.
- 15.9 Save as contemplated under this Agreement, no present director or employee of the Company or other individual whose services are provided for the Company has given or received notice of termination of his employment or engagement.
- 15.10 Since the Management Accounts Date, the rate of the pension paid by the Company to any person has not been changed or agreed to be changed.

## 16. CONTRACTS

- 16.1 There are and will prior to Completion be no material outstanding contracts, engagements or liabilities whether ascertained or contingent and whether quantified or disputed of the Company.
- 16.2 There are in existence no contracts or commitments or transactions or arrangements affecting the Company which are unusual or not on 'rm's length basis or of a long-term nature or involving or which may involve obligations on the Company of a nature or magnitude calling for special mention or which cannot be fulfilled or performed on time or without undue or unusual expenditure of money or effort.
- 16.3 There are not now outstanding :-

- (a) any arrangements, contractual or otherwise, between the Company and any party which will or may be terminated or prejudicially affected as a result of the sale and purchase of the Sale Shares or of compliance with any other provision of this Agreement;
  - (b) any obligation or ex-gratia arrangement on the part of the Company to pay pensions, gratuities, retirement benefits, periodical sums or any compensation to any person;
  - (c) any contract for hire or rent, hire-purchase or purchase by way of credit or instalment payment of any of the assets of the Company;
  - (d) any agreement or arrangement or guarantee or contract for indemnity or for suretyship under which the Company is under a prospective or contingent liability; and
  - (e) any letters of comfort, letters of awareness or the like given by the Company in respect of any third parties.
- 16.4 No part of the business of the Company is carried on under the agreement or consent of a third party (other than regulatory authorities), nor is there any agreement with a third party which restricts the fields in which the Company carries on business.
- 16.5 No agreement or arrangement to which the Company is a party is or requires (or following the sale of the Sale Shares will require) to be registered with any authority or governmental agency in Hong Kong or elsewhere.
- 16.6 The Company is not a party to or bound by any partnership or joint venture or voluntary association or other similar agreement for the conduct of any business.
- 16.7 In terminating any contract to which any member of the Company is a party, the Company shall not release or waive or otherwise prejudice any rights, rights of actions or claims in respect of anything done or omitted to be done prior to the time of termination of the contract by the other party or parties to the contract or any other person whether under the contract or otherwise.
17. INSURANCE
- 17.1 The Company has effected all insurances required by law to be effected by it and all insurances which ought reasonably to have been effected over its business and assets for a substantial part of its value and covering third party liability of the Company having taking into account the nature of the business of the Company, the place of which it carries on business and the business of the Company as a whole.
- 17.2 All premiums due on the said policies have been paid, all the conditions of the said policies have been performed and observed in all respects in each place in which the Company carries on business, and nothing has been done or has been omitted to be done whereby any of the said policies has or may become void or voidable.

17.3 No claim is outstanding either by the insurer or the insured under any of the said policies and no claim against the Company by any third party is outstanding in respect of any risk covered by any of the policies or by any policy previously held by the Company.

17.4 There is no circumstance which would or might entitle the Company to make a claim under any of the said policies or which would or might be required under any of the said policies to be notified to the insurers.

## 18. INTELLECTUAL PROPERTY

18.1 The business of the Company (and of any licensee under a licence granted by any Group Company) as now carried on does not, and is not likely to, infringe any Intellectual Property Right of any other person, and all licences to the Company in respect of any such Intellectual Property Rights are in full force and effect and no party to an agreement relating to the use by the Company of Intellectual Property Rights of another person is, or has at any time been, in breach of that agreement.

18.2 The Company has not infringed any Intellectual Property Rights of other third parties and is not subject to any demands, actions, suits or proceedings in connection with any allegation that the Company has infringed the intellectual property rights of other third parties.

## 19. PROPERTIES

19.1 The Company does not own any real properties.

19.2 The information as set out in Schedule 2 as to the tenancies of the Store and the principal terms of the tenancies are true and accurate in all material respects.

19.3 The Tenancy Agreements are legal, valid and enforceable.

19.4 The Store comprises all the real properties leased, occupied or used by the Company in connection with its business and are so occupied or used by right of ownership or under lease or licence the terms of which permit such occupation or use.

19.5 Compliance is being made and has at all times been made in all material respects with:

(a) building regulation consents and by laws for the time being in force with respect to the Store; and

(b) all applicable legal and regulatory requirements with respect to the Store.

19.6 There are no compulsory purchase or resumption notices, orders or, so far as the Vendor is aware of resolutions affecting the Store, nor to the best of the Vendor's knowledge are there any circumstances likely to lead to any being made.

- 19.7 There are no closure, demolition, clearance orders, enforcement notices, stop notices or other orders of the Building Authority or Town Planning Board affecting the Store, nor to the best of the Vendor's knowledge are there any circumstances likely to lead to any being made.
- 19.7 There have been no material or persistent breaches of covenant by the Company as tenants of the Store including the covenants to pay rent.
- 19.8 There is no breach of Tenancy Agreements that may entitle the landlord of the Store to terminate the Tenancy Agreements and require the Company to vacate the Store before expiry of the current term of the tenancies.

20. MATERIAL TRANSACTIONS

- 20.1 Since the date of the Management Accounts and prior to the close of business transacted at Completion and save as Disclosed or as contemplated by this Agreement :
- (a) the Company has not created and pending Completion will not create any mortgage, charge, debenture or other encumbrance on, over or in respect of the whole or any part of the assets of the Company;
  - (b) the assets of the Company has not been, and will not be, depleted by any unlawful act on the part of the Vendor or the directors or officers of the Company;
  - (c) the Company has not purchased or acquired and pending Completion will not purchase or acquire any new assets otherwise than in the ordinary course of business;
  - (d) there has been, and pending Completion will be, no adverse change in the financial or trading positions of the Company;
  - (e) the Company has not borrowed or lent any money which has not been repaid or increased any secured liability or incurred or entered into any other liability, transaction or contract; and
  - (f) the Company will not pending Completion make further borrowings or incur further liabilities in any way.

21. ENVIRONMENT

- 21.1 Based on the best knowledge of the Vendor, the, the Company has complied with all environmental laws since its date of incorporation and up to the Completion Date.
- 21.2 No unlawful discharge, release, leaching, emission or escape into the environment of any noxious substances or any substance regulated by environmental laws has occurred or is occurring in the conduct of the business of the Company or in connection with or in relation to the Company.



- 21.3 None of the properties adjacent or in close proximity to the Store is or has been contaminated with any noxious substance or any substance regulated by environmental laws.
- 21.4 All noxious substances or substances regulated by the environmental law which are or have been produced or used in the course of the business of the Company and all noxious substances or substances regulated by the environment law which are or have been located, produced or used on the Store are and have been stored, labelled, handled, released, treated, manufactured, processed, deposited, transported, documented and disposed of in accordance with all environmental laws.
- 21.5 All waste which is being or has been used, produced, controlled or disposed of in the course of the business of the Company and all waste which is or has been located at the Store is and has been stored, labelled, handled, released, treated, processed, deposited, transported, documented and disposed of in accordance with all environmental laws.
- 21.6 There has not been nor is there continuing on the Store any common law or statutory nuisance or any contravention of the rule known under the English common law as the rule in *Rylands v Fletcher*.
- 21.7 The Company has ensured that the best available techniques not entailing excessive cost are used for preventing the discharge, release, leaching, emission or escape into the environment of any noxious substance or of any substance regulated by environmental laws.
- 21.8 The Company has obtained all environmental licences for the carrying on of the business, carried on by it and all such environmental licences are valid and subsisting and there is no reason why any of them should after be varied, suspended, cancelled, revoked or not renewed upon expiry on substantially the same terms after Completion. The Company has at all times complied, with the terms and conditions of its environmental licences.
- 21.9 There have not been nor are there threatened or pending any civil and criminal actions, notices of violations, investigations, administrative proceedings or written communications from any regulatory authority under any environmental laws against the Company and the Company or any of its assets, there are no facts or circumstances which may give rise to the same.

## 22. TAXATION, RECORDS AND RETURNS

- 22.1 The Company has in respect of all years of assessment since incorporation falling before the date of this Agreement, made or caused to be made all proper returns, and has supplied or caused to be supplied all information regarding Taxation matters which is required by it to be made or supplied to any revenue authority (whether in Hong Kong or elsewhere) and the Vendor are not aware of any dispute or disagreement with any such revenue authority regarding the same.
- 22.2 The Company has duly punctually and fully paid all taxes and duties to which it is liable.

## 23. MISCELLANEOUS

23.1 The Company has not:-

- (a) committed any material breach of any law, statutory provision, legislation, order, bye-law or regulation in any jurisdiction binding on it or of any provision of its statute, or of any trust deed, agreement or licence to which it is a party or of any covenant or undertaking given by it;
- (b) entered into any transaction which is still executory and which is or may be or become unenforceable by it by reason of the transaction being voidable at the instance of any other party or ultra vires, void or illegal, or outside its scope of business as set out in the memorandum and articles of association of any member of the Company; or
- (c) omitted to do anything required or permitted to be done by it necessary for the protection of its title to or for the enforcement or the preservation of any order of priority of any property or assets or rights owned by it.

23.2 All information relating to the Company which is known to the Vendor and which would materially affect a purchaser for value of all or any of the shares of the Company has been disclosed by the Vendor in writing to the Purchaser.

23.3 All consents (if any) that may be required from any person in order for the Vendor to enter into and execute this Agreement and all documents and deeds contemplated by this Agreement including the Tax Indemnity, to carry out and perform their obligations under this Agreement and all documents and deeds contemplated by this Agreement including the Tax Indemnity and to vest the legal ownership and beneficial ownership of the Sale Shares in the Purchaser and/or his/ her nominee(s) has been duly obtained and are in full force and effect.

## SCHEDULE 5

### Profit Guarantee

#### 1. Definitions

For the purpose of this Schedule:

“**Accumulated Guaranteed Net Profit**” means, with respect to a Profit Guaranteed Period, the summation of each of the Guaranteed Profit from the first Profit Guaranteed Period and ending on the relevant Profit Guaranteed Period.

“**Accumulated Net Profit**” means, with respect to a Profit Guaranteed Period, the summation of each of the Net Profit from the first Profit Guaranteed Period and ending on the relevant Profit Guaranteed Period, provided that if the Net Profit in respect of any Profit Guaranteed Period is negative (i.e. net loss), the net loss shall be deducted from the Accumulated Net Profit.

“**Net Profit**” means the net profit after tax of the Company for a Profit Guaranteed Period which shall be determined with reference to the management accounts of the Company prepared in accordance with the generally accepted accounting policies and accounting standards of Hong Kong issued by the Hong Kong Institute of Certified Public Accountants and subject to the following adjustments:

- (a) any revaluation of assets shall be disregarded;
- (b) any revenue generated outside the ordinary course of business of the Company shall be disregarded;
- (c) only profits and losses derived from the ordinary course of business of the Company shall be included;
- (d) all receivables which have been outstanding for a period of 12 months or over shall be written off.

“**Guaranteed Profit**” means, in respect of a Profit Guaranteed Period, the Net Profit that is guaranteed by the Vendor to be achieved.

“**Profit Guaranteed Period**” means any of (i) the period from 1 March 2024 to 31 August 2024, (ii) the year ending 31 August 2025, (iii) the year ending 31 August 2026 and (iv) the 13 months ending 30 September 2027, during which Guaranteed Profit is guaranteed by the Ven.

#### 2. Profit Guarantee

- 2.1 The Vendor unconditionally and irrevocably guarantees to each of the Listco and the Purchaser that the Accumulated Net Profit for the entire Profit Guaranteed Period shall be no less than HK\$9,200,000.
- 2.2 The Vendor unconditionally and irrevocably guarantees to each of the Listco and the Purchaser that the Net Profit for:
- (a) the period from 1 March 2024 to 31 August 2024 shall be no less than HK\$1,300,000;
  - (b) the year ending 31 August 2025 shall be no less than HK\$2,600,000;
  - (c) the year ending 31 August 2026 shall be no less than HK\$2,600,000;
  - (d) the 13 months ending 30 September 2027 shall be no less than HK\$2,700,000.
- 2.3 Subject to the maximum liability under Clause 6.4, in the event that, in respect of any of the Profit Guaranteed Period:
- (a) the Accumulated Net Profit is less than the corresponding Accumulated Guaranteed Profit (the “**Accumulated Shortfall**”), the Vendor unconditionally and irrevocably undertakes to pay the Purchaser an amount equivalent to 91% of the Accumulated Shortfall (“**Shortfall Compensation**”). The Shortfall Compensation shall be paid by the Vendor to the Purchaser by way of cashier order or telegraphic transfer within 1 month after the date on which the Accumulated Net Profit for the relevant Profit Guaranteed Period is determined;
  - (b) the aggregate amount of Shortfall Compensation paid in previous Profit Guaranteed Period(s) is more than 91% of the Accumulated Shortfall for the current Profit Guarantee Period, the Purchaser shall refund the excess amount over 91% of the Accumulated Shortfall to the Vendor; and
  - (c) the Accumulated Net Profit is more than the Accumulated Guaranteed Net Profit, the Purchaser shall refund all Shortfall Compensation paid by the Vendor (if any) to the Vendor.

In the event that there is disagreement between the Vendor and the Purchaser on the amount of Accumulated Net Profit and/ or the Shortfall Compensation, the Vendor and the Purchaser shall jointly engage an independent reputable accounting firm to determine the same, and the determination of the accountant firm shall, in the absence of manifest error, be final and conclusive and binding on the parties. The costs and expenses of engaging such independent accounting firm shall be borne by the Vendor and the Purchaser in equal shares.

## SCHEDULE 6

### Major terms of the Shareholders' Agreement

#### Board of directors

1. The maximum number of directors of the Company shall be 4, of which up to 3 directors shall be nominated by the Purchaser and 1 director shall be nominated by the Vendor.
2. The quorum of a meeting of the Board shall be two (2) directors.
3. The chairman of the Board shall be nominated by the Purchaser.
4. All decisions by the Board shall be transacted and approved by simple majority of the Board. Each director shall carry one vote. In case of an equality of votes at any meeting of the Board, the chairman shall be entitled to a second or casting vote.

#### Shareholders' meetings

5. The quorum for meetings of the shareholders of the Company shall be one or more shareholders (whether present by proxy or by authorised representative) holding an aggregate of more than 50% of the entire issued share capital of the Company.
6. Questions arising at any shareholders' meeting shall be decided by shareholders holding an aggregate of more than 50% of the entire issued share capital of the Company.

#### Disposal of shares of the Company

7. Unless the Purchaser agrees otherwise, the Vendor shall not sell, transfer, assign, charge, mortgage, encumber, grant options over or otherwise dispose of any of its shares in the Company, or any of its beneficial interest in any of its shares in the Company.
8. Subject to paragraph 7, in the event that any of the Vendor or the Purchaser intends to sell its shares in the Company to a third party transferee, the Purchaser/ the Vendor shall have pre-emptive rights of the shares proposed to be sold.
9. If the Purchaser proposes to sell its shares in the Company and the Vendor does not exercise its pre-emptive rights, the Purchaser shall have the drag-along rights, pursuant to which the Purchaser shall be entitled to (but not obliged to) request the Vendor to sell its shares in the Company to such third party transferee upon the same terms and conditions as those offered to the Purchaser by the third party transferee.

#### Issue of new shares

10. In the event of an issue of new shares or rights, options/ warrants to purchase such shares, and securities of any type that are or may become convertible or exchangeable into such shares (the "**New Securities**"), the New Securities shall first be offered to the Vendor and

the Purchaser for subscription in their respective proportion of shareholdings in the Company.

Authorized signatories of cheques and bank accounts

11. The authorized signatories of each of the cheques and the bank accounts of the Company shall be decided by the Purchaser.

Respective responsibilities of the Vendor and the Purchaser

12. The Vendor shall be responsible for the daily operation of the business of the Company. The Vendor shall not be entitled to any remuneration nor fee for its services to be provided to the Company. The Vendor shall provide the annual budget of the Company for consideration and approval by the Purchaser. Any amount which is 5% more than the budgeted amount shall be subject to the further approval of the Purchaser.
13. The Purchaser shall be responsible for accounts and finance (including maintenance and updating of statutory books, accounting records and audit arrangement).

Dividends

14. Provided that the Company has sufficient working capital and subject to the declaration of the Special Dividends as set out in paragraph 15 below, dividends shall be declared on a quarterly basis (i.e. periods ending 30 November, 28/ 29 February, 31 May, 31 August) in the respective shareholding ratio of the Vendor and the Purchaser in the Company based on 100% of the retained profits of the Company.
15. As incentive for the Vendor to manage the business of the Company for the Relevant Periods (as defined below), if net profit after taxation of the Company for any Relevant Period is more than the threshold points as set out in paragraph 16, for the amount which exceeds the threshold points, special dividends shall be declared to the Vendor and the Purchaser in the ratio of 60% and 40% respectively ("**Special Dividends**").
16. The threshold points are as follows:

<b>Period (each a “Relevant Period”)</b>	<b>Threshold Points (HK\$)</b>
For the period from 1 March 2024 to 31 August 2024	1,430,000
For the year ending 31 August 2025	2,860,000
For the year ending 31 August 2026	2,860,000
For the 13 months ending 30 September 2027	<u>2,970,000</u>
<b>Total</b>	<b>10,120,000</b>

17. Special Dividends shall be declared and paid on a quarterly basis and shall be based on threshold points determined on pro-rata basis according to the number of the months for the Relevant Periods as set out in paragraph 16.

For illustration purpose, the threshold points for the Relevant Period from 1 March 2024 to 31 May 2024 shall be:

HK\$1,430,000/ 6 x 3 = HK\$715,000 .

50% of the Special Dividends shall be paid upon declaring of the same and the remaining 50% shall be paid upon finalization of accounts for the entire Relevant Period. Based on the accounts for Relevant Period, Special Dividends for the entire Relevant Period shall be calculated, and the Vendor and the Purchaser shall determine the final amount of Special Dividends payable for the entire Relevant Period and the Vendor and/ or the Purchaser shall refund the Company for any Special Dividend received in the event that there is over-calculation of Special Dividends during any of the quarter(s) of the Relevant Period.