

PROVISIONAL AGREEMENT FOR SALE AND PURCHASE

This AGREEMENT is made on 13 August 2021

BETWEEN

the first party **SOURCE MEGA PROPERTIES LIMITED**
(holder of ~~Hong Kong Identity Card No./~~Business Registration No. 6714 9833 -000)
of 30/F, Fortis Tower, 77-79 Gloucester Rd, Wanchai (hereinafter called "**the Vendor**");

the second party **LO YUK YEE**
(holder of Hong Kong Identity Card No./~~Business Registration No.-~~ D474985(6))
of Flat 42M, The Avenue, Wanchai, Hong Kong (hereinafter called "**the Purchaser**");

and

the third party **FINET GROUP LIMITED**
(holder of ~~Hong Kong Identity Card No./~~Business Registration No. 33215842 - 000)
of 30/F, Fortis Tower, 77-79 Gloucester Rd, Wanchai (hereinafter called "**the Vendor Guarantor**").

WHEREAS:

- (A) **Maxon Management Limited** (hereinafter called "**the Company**") is the registered and beneficial owner of Unit C on 11th Floor Bank of East Asia Harbour View Centre, No 56 Gloucester Road, Hong Kong (hereinafter called "**the Property**").
- (B) The Vendor is the legal and beneficial owner of the entire issued share capital of the Company (hereinafter called "**the Sale Share**").
- (C) The Property is the Company's asset.
- (D) The Vendor agrees to sell and assign, and the Purchaser agrees to purchase and take up an assignment of, the Sale Share and the right to all debts owing by the Company to the Vendor and his associates (if any) as at completion (hereinafter called "**the Sale Debt**") on the terms and subject to the conditions as hereinafter appearing.
- (E) The Vendor Guarantor is the beneficial owner of the entire issued share capital of the Vendor and agrees to guarantee and procure the performance of all obligations of the Vendor under this Agreement.

NOW IT IS HEREBY AGREED as follows:

1. On and subject to the terms and conditions contained in this Agreement, the Vendor agrees to sell, and the Purchaser agrees to purchase, the Sale Share and the Sale Debt free from all encumbrances and third party rights.
2. The aggregate purchase price for the Sale Share and the Sale Debt shall be HK\$ 58,000,000 (hereinafter called "**the Purchase Price**") which shall be paid by the Purchaser to the Vendor in the manner as follows:
 - (a) an initial deposit in the sum of HK\$ 2,900,000 (hereinafter called "**the Initial**

Deposit") shall be paid upon signing of this Agreement;

- (b) a further deposit in the sum of _____ / _____ (hereinafter called "**the Further Deposit**") shall be paid on or before _____ / _____; and
 - (c) the balance of the Purchase Price in the sum of HK\$ 55,100,000 (hereinafter called "**the Balance**") shall be paid before 2:00 p.m. on completion of the sale and purchase of the Sale Share and the assignment of the Sale Debt (hereinafter called "**Completion**"), which shall take place on or before 31 December 2021 (or such later date as the Vendor and the Purchaser may agree in writing) (hereinafter called "**the Completion Date**").
 - (d) The Purchaser shall have the right to offset the debts owing by the Vendor, the Vendor Guarantor and its subsidiaries to the Purchaser (hereinafter called "**Shareholder Loan**") against any portion of the Purchase Price to be paid.
3. The Vendor and the Purchaser shall negotiate in good faith and use all their respective reasonable endeavours to enter into a formal agreement for sale and purchase (hereinafter called "**the Formal Agreement**") on or before 31 December 2021 (or such later date as the Vendor and the Purchaser may agree in writing) which shall incorporate the terms, warranties and representations customary to transactions similar to the one contemplated herein based on the principal terms set out herein. In the event that the Vendor and the Purchaser shall fail to reach agreement on the terms of the Formal Agreement on or before the aforesaid date, this Agreement shall remain valid and of full force and effect and the parties hereto shall continue to fulfill their respective obligations hereunder.
4. Completion shall be subject to and conditional on:
- (a) the Purchaser having completed his due diligence review on the business, financial, legal and other aspects of the Company and satisfied with the results thereof;
 - (b) the Vendor having procured the Company to give and prove a good title to the Property in accordance with Sections 13A and 13 of the Conveyancing and Property Ordinance (Cap.219 of the Laws of Hong Kong).
 - (c) the approval of the disposal by the shareholders of the Vendor at the special general meeting to be convened in accordance with the requirements of the Rules Governing the Listing on GEM of the Stock Exchange of Hong Kong, and
 - (d) the Vendor obtaining of regulatory clearance on disclosure in relation to the transaction.

Save for the conditions set out in 4(c) and 4(d) above, the Purchaser may at its absolute discretion waive the other conditions under this Agreement.

If any of the foregoing conditions 4(a)-4(d) is not fulfilled or waived by the Purchaser (as the case maybe) on or before the Completion Date, the Purchaser shall be entitled to cancel the transaction under this Agreement whereupon the Initial Deposit and the Further Deposit shall be returned by the Vendor or the Vendor's solicitors to the Purchaser forthwith (with no interest), and neither party shall have any claim whatsoever against the other.

Completion shall take place within eight (8) Business Days following the date on which the last of the conditions precedent to the Provisional Agreement being fulfilled or waived (as the case may be) or such other date as the parties to the Provisional Agreement may agree in writing.

5. To facilitate the carrying out of the due diligence review by the Purchaser, the Vendor hereby undertakes to deliver to the Purchaser or the Purchaser's solicitors all documents relating to the Company (not including the title deeds and documents relating to the Property) within 14 days from the date of this Agreement. The Purchaser shall carry out the due diligence review and confirm in writing to the Vendor or the Vendor's solicitors whether he is satisfied with the results of such due diligence review within 14 days after the date of delivery of all documents by the Vendor. If it is discovered during the due diligence review that there is any irregularity, the Vendor or the Vendor's solicitors shall rectify the same as soon as possible. In addition, the Vendor shall deliver to the Purchaser's solicitors for their inspection all title deeds and documents relating to the Property in his possession or under his control at least 14 business days prior to the Completion Date.
6. Upon Completion, the Vendor shall:
 - (a) deliver to the Purchaser such instrument(s) of transfer and contract notes (if applicable) in respect of the Sale Share duly executed by the Vendor in favour of the Purchaser, together with the relevant share certificate(s);
 - (b) deliver to the Purchaser all accounting records, books, documents and instruments in relation to the affairs of the Company including, but not limited to, the certificate of incorporation, business registration certificate, common seal of the Company, copies of its memorandum and articles of association, the statutory books and any unissued share certificates;
 - (c) execute an assignment of the Sale Debt and cause the Company to execute the same;
 - (d) cause a meeting of the board of directors of the Company to be held to approve the foregoing matters; and
 - (e) deliver to the Purchaser ~~vacant possession of~~ the Property free from all encumbrances and indebtedness ~~subject only to the existing tenancy thereof together with the tenancy agreement (a copy of which has been produced to the Purchaser for inspection)*.~~
7. The Vendor hereby represents and warrants to the Purchaser, and shall respectively represent and warrant to the Purchaser and the Company on Completion, that:
 - (a) he has full power to enter into this Agreement and to exercise his rights and perform his obligations hereunder and this Agreement shall, when executed, be a legal, valid and binding agreement on him and enforceable in accordance with the terms hereof;
 - (b) the Sale Share and the Sale Debt to be sold to the Purchaser shall be free from all encumbrances and third party rights;
 - (c) ~~* — the Vendor shall procure repayment of all amounts owing by the Company under the Mortgage on or before the Completion Date and that valid release in respect thereof (together with the ancillary documents and registration fees for registration of the same with the Land Registry and the Companies Registry) will be delivered to the Purchaser or the Purchaser's solicitors within 21 days from the Completion Date pursuant to a written undertaking given by the Vendor's solicitors to the Purchaser's solicitors;*~~
 - (d) the Company will not on Completion have any outstanding borrowing or indebtedness in the nature of borrowing or other credit facility or liability (whether actual or contingent) other than the following:
 - (1) the Sale Debt (which shall be assigned to the Purchaser upon Completion);
 - (2) the mortgage loan with HSBC
 - (3) all deferred tax liabilities (including any contingent tax liability arising as a result of rental income) (if any);

- (3) (if any) rental deposit received, prepayment received (including but not limited to rental received in advance) and accrued accounts payable; and
 - (4) accounts payable in the ordinary course of business (if any);
 - (e) If condition (a) to (d) cannot be fulfilled, the final purchase consideration is subject to adjustments of any outstanding bank loan and others outstanding net assets or liabilities.
 - (f) all taxation which the Company is liable to pay prior to Completion has been or will be so paid prior to Completion;
 - (g) each of the matters set out in Recitals (A) and (B) and (C) ~~*and (E)*~~ is true, accurate, correct and not misleading in all respects; and
 - (h) the Company has not entered into any other tenancies and/or agreements in respect of the Property ~~*other than the tenancy(ies) provided to the Purchaser prior to the signing of this Agreement*~~.
8. The Vendor undertakes with the Purchaser that on and after the date of this Agreement and up to the Completion Date, the Vendor shall procure the Company and the director(s) of the Company not to do any of the following (save with the prior written consent of the Purchaser):
- (a) create, allot or issue or agree to create, allot or issue any shares or other securities out of the capital of the Company or grant or agree to grant any option over or right to acquire any additional shares or other securities of the Company;
 - (b) pass any resolution the result of which would be the winding up, liquidation or receivership of the Company, or make any composition or arrangement with its creditors;
 - (c) sell, transfer, lease, license or in any other way dispose of any of the assets, business or undertaking of the Company (or any interest therein) or contract to do so;
 - (d) create or assume any guarantee or indemnity for or otherwise secure the liabilities or obligations of any person;
 - (e) declare, pay or make any dividend or other distribution out of the profit, reserves or capital;
 - (f) create any fixed or floating charge, lien (other than a lien arising by operation of law) or other encumbrance over the whole or any part of the undertaking, property or assets of the Company; and
 - (g) borrow any further sum of money.
9. The Vendor undertakes to deliver to the Purchaser or the Purchaser's solicitors at least five (5) days prior to the Completion Date the proforma completion accounts (hereinafter called "**the Proforma Accounts**") comprising a proforma profit and loss account of the Company for the period from its date of incorporation/the beginning of the current financial year to the Completion Date and a proforma balance sheet of the Company as at the Completion Date. If the NTAV (hereinafter defined) as shown in the Proforma Accounts is more or less than zero, the Balance shall be adjusted upwards or downwards (as the case may be) accordingly in the manner as follows:
- (1) it shall be **added** to the Balance all current and non-current tangible assets of the Company as shown in the Proforma Accounts including rentals receivable (if applicable) (up to and inclusive of the Completion Date), utilities and other miscellaneous deposits, prepaid rates and government rent, and other expenses relating to the Property (up to but exclusive of the Completion Date); and
 - (2) it shall be **deducted** from the Balance all liabilities of the Company as shown in the Proforma Accounts (other than the Sale Debt and deferred tax).

For the purpose of this Agreement, "NTAV" means the aggregate of all tangible assets of the Company which are readily convertible into cash or cash equivalents (excluding the Property, any intangible assets and other fixed assets and deferred tax), less the aggregate of all liabilities (actual, contingent or otherwise but excluding the Sale Debt) and provisions of the Company as at the Completion Date.

10. The Vendor undertakes to deliver to the Purchaser or the Purchaser's solicitors within 30 days from the Completion Date the financial statements audited by certified public accountants (practising) (hereinafter called "**the Completion Accounts**") of the Company for the period from its date of incorporation/the beginning of the current financial year to the Completion Date. If the NTAV as shown in the Completion Accounts is more or less than the NTAV as shown in the Proforma Accounts, the Purchaser or the Vendor (as the case may be) shall pay the difference to the other party within five (5) days from the date of receipt of the Completion Accounts.
11. * The Vendor Guarantor, as primary obligor and not merely as surety, hereby unconditionally and irrevocably guarantees to the Purchaser, and shall, on the Completion Date, unconditionally and irrevocably guarantees to the Purchaser and the Company, the due observance and performance by the Vendor of all the agreements, obligations, commitments and undertakings contained in this Agreement (hereinafter called "**the Vendor Guaranteed Obligations**") on the part of the Vendor to be observed and performed and that the warranties given or provided by the Vendor to the Purchaser and/or the Company under this Agreement are true, accurate and correct and the Vendor Guarantor undertakes and agrees to indemnify the Purchaser and the Company and keep the Purchaser and the Company fully indemnified against all losses, costs, expenses and damages whatsoever which may be sustained by the Purchaser and/or the Company by reason of or in connection with any failure of the Vendor to perform any of the Vendor Guaranteed Obligations or breach of any of the warranties.*
12. The Vendor and the Purchaser agree that they shall separately appoint their own solicitors. The Vendor shall be represented by _____ whereas the Purchaser shall be represented by _____. Each of the Vendor and the Purchaser shall pay his own legal costs incidental to this Agreement and all transactions in connection therewith. All stamp duty payable on the transfer of the Sale Share and the Sale Debt (if any) shall be borne by the Purchaser absolutely.
13. Notwithstanding anything to the contrary in this Agreement, should the Purchaser fail to pay the Further Deposit in accordance with the terms herein contained, the Vendor shall be entitled to terminate this Agreement and forfeit the Initial Deposit absolutely as liquidated damages and then sell the Sale Share and the Sale Debt to anyone at his absolute discretion provided that the Vendor shall not take any further action to claim for damages or to enforce specific performance.
14. Notwithstanding anything to the contrary in this Agreement, the Vendor shall be entitled at his absolute discretion to terminate this Agreement and then sell the Sale Share and the Sale Debt to anyone before he receives the Further Deposit from the Purchaser provided that the Vendor shall immediately after such termination compensate the Purchaser with a refund of the Initial Deposit together with a sum equivalent to the Initial Deposit as liquidated damages and the Purchaser shall not take any further action to claim for damages or to enforce specific performance.
15. This Agreement supersedes all prior negotiations, representations, understanding and agreements of the parties herein.

16. Each of the Vendor and the Purchaser confirms that he has received the Personal Information Collection Statement issued by the Agent pursuant to the Personal Data (Privacy) Ordinance (Cap.486 of the Laws of Hong Kong) and agrees to the terms of such Statement.
17. This Agreement is governed by and shall be construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China.
18. Remarks:



Signed by the Vendor
 Name of Signatory(ies): Lo Yuk Yee
 I. D. No(s).: D474985(6)



Signed by the Purchaser
 Name of Signatory(ies): Lo Yuk Yee
 I. D. No(s).: D474985(6)



Signed by the Vendor Guarantor
 Name of Signatory(ies): Lo Yuk Yee
 I. D. No(s).: D474985(6)

Received from the Purchaser the Initial Deposit by cheque no. 737570 of
HSBC in the sum of HK\$ 2,900,000 only.

 Acknowledge receipt by the Vendor