

Private and Confidential

Dated 30 November 2022

Easyknit Properties Holdings Limited

(as Seller)

and

Eminence Enterprise Limited

(as Purchaser)

SALE AND PURCHASE AGREEMENT

for the entire issued share capital of

On Channel International Limited

(安昌國際有限公司)

(owner of Shop A, One Victory)

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THIS AGREEMENT is dated 30th November, 2022 and made between:

- (1) **Easyknit Properties Holdings Limited**, a company incorporated under the laws of the British Virgin Islands (company number 172788) whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the “Seller”); and
- (2) **Eminence Enterprise Limited**, a company incorporated under the laws of Bermuda (company number 16570) whose registered office is at Clarendon House, 2 Church Street, Hamilton, HM11, Bermuda (the “Purchaser”).

BACKGROUND:

- (A) The Company is the registered and beneficial owner of the Property.
- (B) The Seller has agreed to sell the entire issued share capital of the Company and to assign the Loan to the Purchaser, and the Purchaser has agreed to purchase all the Shares and the Loan from the Seller, upon the terms set out in this Agreement.
- (C) In this Agreement, and the recitals hereto unless otherwise expressed, words and phrases shall have the meanings as set out in Schedule 8.

THE PARTIES AGREE that:

1. AGREEMENT TO SELL AND PURCHASE

1.1 Sale and purchase

Subject to satisfaction (or, where permitted) waiver of the Conditions:

- (a) the Seller shall sell, and the Purchaser shall purchase, the entire legal and beneficial ownership of the Shares; and
- (b) the Seller shall sell, and the Purchaser shall purchase, the entire legal and beneficial ownership of the Loan.

1.2 Seller’s covenant

The Seller covenants that:

- (a) it has full power and right to transfer the legal and beneficial title in the Shares;
- (b) it has full power and right to assign the full benefit of the Loan; and
- (c) the Shares and the Loan shall be sold and assigned on Completion to the Purchaser or its nominee free from Encumbrances (save for the Bank Security Documents).

1.3 Completion simultaneous

The sale of all the Shares and the assignment of all the Loan shall complete simultaneously with the sales under the Related Agreements.

1.4 **Waiver of pre-emption rights**

The Seller waives and shall procure the waiver of all rights of pre-emption (if any) or other rights which may restrict the transfer of the Shares and/or assignment of the Loan.

1.5 **Rights accruing to the Shares**

The Purchaser shall be entitled to exercise all rights attached or accruing to the Shares including, without limitation, the right to receive all dividends, distributions or any return of capital declared, paid or made by the Company on or after Completion.

2. **PURCHASE PRICE AND PAYMENT**

2.1 **Purchase Price**

The aggregate of the purchase price for the sale of the Shares and the assignment of the Loan shall be HK\$44,000,000 (the "Purchase Price"), apportioned as follows:

- (a) the price for the assignment of the Loan shall be the face value of the total outstanding amount of the Loan as at the Completion Date on a dollar-for-dollar basis (the "Loan Consideration"); and
- (b) the price for the sale of the Shares shall be the Purchase Price less the Loan Consideration minus a sum equal to the amount of the Bank Loan outstanding as at the Completion Date on a dollar-for-dollar basis (the "Shares Consideration").

2.2 **Payment of Purchase Price**

- (a) The Purchase Price shall be paid by the Purchaser to the Seller in the following manner:
 - (i) a sum of HK\$45,000 (the "Deposit"), being 0.10 percent of the Purchase Price, shall be paid in cash by the Purchaser to the Seller upon the signing of this Agreement;
 - (ii) a sum of HK\$405,000 (the "Cash Consideration"), being 0.92 percent of the Purchase Price, shall be paid in cash by the Purchaser to the Seller on the Completion Date; and
 - (iii) the balance of the Purchase Price (the "Balance") shall be settled not in cash but by issue on the Completion Date by the Purchaser to the Seller of the Convertible Note (which includes the Balance as well as sums payable under the other Related Agreements).
- (b) The Deposit is part of the Purchase Price payable by the Purchaser to the Seller at Completion.
- (c) Not less than five (5) Business Days before the Completion Date, the Seller shall notify the Purchaser of the following amounts:
 - (i) the Loan Consideration;
 - (ii) the Shares Consideration; and

- (iii) the Apportionment.
- (d) The Purchaser shall pay to the Seller the Apportionment in cash on the Completion Date.

2.3 **Form of Payment**

Any payment to be made under this Clause 2 will be made by cheque or by such other method as the Purchaser and the Seller may agree in writing.

3. **CONDITIONS**

3.1 **Conditions**

Completion is conditional on the satisfaction or waiver, in accordance with Clause 3.3, of each of the Conditions set out in Schedule 7.

3.2 **Satisfaction of Conditions**

- (a) Each of the Purchaser and the Seller shall use its reasonable endeavours to procure the satisfaction of the Conditions in its control as soon as possible after the date of this Agreement.
- (b) The Seller shall keep the Purchaser promptly informed of the progress and status of satisfaction of the Conditions.

3.3 **Waiver**

- (a) Subject to Clause 3.3(b), at any time before satisfaction, the Purchaser may waive all or any of the Conditions. Any waiver under this Clause 3.3 shall be made by notice in writing to the Seller and may be subject to such terms and conditions as the Purchaser may specify.
- (b) Notwithstanding anything provided herein to the contrary, the Conditions in paragraphs 2, 3, 4 and 5 of Schedule 7 cannot be waived by either party.

3.4 **Notification of the Purchaser**

Upon the Seller becoming aware that any of the Conditions:

- (a) has been satisfied;
- (b) will or is likely to be delayed in satisfaction beyond the Completion Date; or
- (c) has become incapable of satisfaction by the Completion Date,

the Seller shall as soon as reasonably practicable notify the Purchaser of that fact and shall supply to the Purchaser written evidence (if available) of the satisfaction of that Condition or (as the case may be) a written explanation for the delay in satisfaction or for that Condition having become incapable of satisfaction.

3.5 If Conditions not satisfied or waived

If:

- (a) any of the Conditions have not been satisfied or waived in accordance with Clause 3.3 on or before the Long Stop Date; or
- (b) any fact comes to the attention of the Purchaser (whether or not it does so because of any notification made under Clause 3.4 which would prevent any of the Conditions from being satisfied on or before the Long Stop Date,

the Purchaser may by written notice to the Seller elect to terminate this Agreement in which case all rights and obligations of the parties under this Agreement shall terminate and Clause 8.1 shall apply.

3.6 Acknowledgement of the Purchaser

The Purchaser agrees that the Seller shall not be required to discharge the Bank Security Documents.

4. COMPLETION

4.1 Completion

Completion shall take place at the principal office in Hong Kong of the Purchaser (or such other venue as may be agreed between the Seller and the Purchaser in writing) at 12:00 noon on the date which is ten (10) Business Days after the (and excluding the day of) fulfilment or, subject to Clause 3.3(b), waiver of the last of the Conditions to be fulfilled or waived, or such other date as the Seller and the Purchaser may agree in writing (the "Completion Date").

4.2 Completion arrangements

At Completion, the Seller and the Purchaser shall do those things listed as their respective obligations in Schedule 5.

4.3 Effect of non-compliance with completion obligations

- (a) Neither party is obliged to complete this Agreement unless the other party complies with the requirements of Clause 4.2 and Schedule 5.
- (b) If on the Completion Date, a party is willing and able to perform its obligations under Clause 4.2 (or if not able to perform as a result of any default by the other party of this Agreement) and the defaulting party has failed to or is unable to perform its obligations under Clause 4.2, then the non-defaulting party may:
 - (i) defer Completion to a date (being a Business Day) falling not more than twenty-eight (28) days after the date originally set for Completion, in which event the provisions of this Agreement shall apply to Completion as so deferred;
 - (ii) terminate this Agreement in which case the provisions of Clause 8.1 shall apply; or

(iii) waive all or any of the obligations of the defaulting party.

4.4 **Hong Kong Stamp Duty**

- (a) Subject to Completion having taken place, the bought and sold notes and instruments of transfer in respect of the Shares shall be submitted to the Stamp Office for adjudication by the Purchaser as soon as practicable after Completion (but in any event within the time prescribed under applicable law).
- (b) The Seller will, at Completion, provide to the Purchaser:
- (i) a copy of the Company's most recent audited financial statements;
 - (ii) a copy of any subsequent management accounts of the Company, certified by a director of the Company;
 - (iii) duly completed and signed Form IRSD 102 (Schedule of Landed Properties) (or any equivalent forms) prescribed by the Inland Revenue Department, Stamp Office.

and will, following Completion, promptly provide to the Purchaser any other documentation (certified as being true copies where so requested) which the Purchaser may reasonably request in connection with the submission to the Stamp Office contemplated by this Clause.

- (c) The Seller shall immediately on demand of the Purchaser pay to the Purchaser the amount of any Vendor's ad valorem stamp duty determined payable by the Stamp Office.

5. **WARRANTIES AND UNDERTAKINGS**

5.1 **Warranties accurate etc**

The Seller warrants, represents and undertakes to the Purchaser that each of the Warranties is at the date of this Agreement in all respects true, accurate, complete and not misleading.

5.2 **Warranties to be accurate etc up to and at Completion**

The Seller warrants, represents and undertakes that the Warranties at Completion will be in all respects true, accurate, complete and not misleading as if repeated by reference to the facts and circumstances then existing.

5.3 **Seller to notify breaches prior to Completion**

The Seller shall, between the date of this Agreement and Completion, immediately notify the Purchaser in writing, in sufficient detail to enable the Purchaser to make a proper assessment of the matter, if it becomes aware of any fact or circumstance which constitutes a breach of Clause 5.1, Clause 5.2 or Clause 7.1 and Schedule 6 or which has caused or will or might be reasonably expected to cause a Warranty to become untrue, inaccurate, incomplete or misleading at any time before Completion or if any notice is served on the Company or the Seller by any Relevant Authority in respect of the Property or the Company.

5.4 **Matters Disclosed and Limitation**

- (a) The Seller will not be liable to the Purchaser in respect of the Warranties or any other matter under this Agreement to the extent of (i) the matters Disclosed, or (ii) anything done or omitted to be done pursuant to this Agreement or otherwise at the written request or approval of the Purchaser.
- (b) The liability of the Seller under this Agreement (including the Warranties) shall be limited as set out in Schedule 4.

6. **INDEMNITIES**

6.1 **Tax Indemnity**

Subject to the matters set out in Schedule 4, the Seller indemnifies the Purchaser against:

- (a) any Taxes which are or become payable by the Purchaser or the Company in respect of the activities of the Company prior to the Completion Date and which were not disclosed in the Audited Accounts and Management Accounts; and
- (b) any and all reasonable costs, expenses or other liabilities which the Purchaser or the Company incurs in connection with any legal proceedings in which the Purchaser claims under Clause 6.1(a) in which judgement is given for the Purchaser, or any settlement of any such claim, and the enforcement of any such settlement or judgement

(the “**Tax Indemnity**”).

6.2 **Time of Payment**

Any payments under Clause 6.1 shall be payable not later than the following dates:

- (a) if the relevant Taxation liability involves an actual payment of Taxation by the Company, five (5) Business Days before the date on which that Taxation becomes due and payable;
- (b) if the relevant Taxation liability involves a denial or loss in whole or in part of a relief or deduction from Taxation, the date falling five (5) Business Days after the date when the Seller has been notified by the Purchaser that the Company’s auditors have certified that there has been such a denial or loss of the whole or part of a relief or deduction; and
- (c) if any costs become payable by the Company or the Purchaser in connection with any Taxation liability, no more than five (5) Business Days before the Company or the Purchaser (as the case may be) becomes liable to pay such costs.

7. **CONDUCT PENDING AND AFTER COMPLETION**

7.1 **Conduct between exchange and Completion**

The Seller undertakes that it shall procure the Company, between the date of this Agreement and Completion, not to do any of the matters as set out in Schedule 6, save with the prior written consent of the Purchaser.

7.2 Due Diligence

- (a) The Seller hereby expressly agrees with the Purchaser that the Purchaser shall as soon as practicable and in any event within five (5) Business Days after the Conditions in paragraphs 2 and 3 of Schedule 7 shall have been fulfilled subject to prior appointment and within reasonable hours, be given reasonable access to (i) the untenanted parts of the Property and (ii) any documents (including corporate, financial and Tax) which are in the possession of the Company or the Seller which may be reasonably required by the Purchaser to facilitate the Purchaser to carry out the due diligence exercise in respect of the Company and the Property (“Due Diligence”).
- (b) The title deeds of the Property shall be provided to the Purchaser as soon as possible and (if the title deeds of the Property have been deposited with the lender of the Bank Loan) within two (2) Business Days of receipt of the title deeds from the lender of the Bank Loan and in any event not later than 45 days prior to the expected Completion Date.
- (c) Pending Completion, the Seller shall procure the Company to use reasonable endeavours to rectify any issues as may be identified by the Purchaser during Due Diligence and mutually agreed between the parties that it is necessary to rectify such issues in order to proceed with Completion and that such issues could be rectified, provided that the existence of such issues and the status of their rectification shall in no event be a cause for the Purchaser to refuse Completion or to request for abatement of the Purchase Price or otherwise hold the Seller liable for damages or compensation or otherwise.
- (d) The Seller shall provide a list of matters disclosed during Due Diligence to the Purchaser not later than three (3) Business Days prior to Completion. Such list shall be referred to as the “Disclosures”.

8. TERMINATION

8.1 Effects of Termination

If this Agreement is terminated in accordance with Clause 3.5 or Clause 4.3(b), then all rights and obligations of the parties will cease immediately upon termination, except that:

- (a) If this Agreement is terminated in accordance with Clause 3.5, then
 - (i) the Seller shall return the Deposit without any interest or cost within ten (10) Business Days after the Long Stop Date; and
 - (ii) following which this Agreement shall terminate and no party to this Agreement shall have any claim against the other, but without prejudice to the accrued rights and obligations of the parties before that termination;
- (b) if the Purchaser is the non-defaulting party and elects to terminate this Agreement in accordance with Clause 4.3(b), then

- (i) the Seller shall immediately upon demand by the Purchaser return the Deposit paid by the Purchaser without any interest or cost within two (2) Business Days; and
 - (ii) the termination shall not affect or prejudice the then accrued rights and obligations of the Purchaser (including the right to damages for the breach, if any, giving rise to the termination and any other pre-termination breach by any party);
- (c) if the Seller is the non-defaulting party and elects to terminate this Agreement in accordance with Clause 4.3(b), then
- (i) the Deposit shall be forfeited by the Seller as liquidated damages; and
 - (ii) the termination shall not affect or prejudice the then accrued rights and obligations of the Seller (including the right at the discretion of the Seller to retain or re-sell the subject matter of this Agreement and the right to claim damages and remedies for the breach of the terms hereof by the Purchaser); and
- (d) termination will be without prejudice to the continued application of Clause 9 (and all provisions relevant to the interpretation and enforcement thereof), which will remain in full force and effect.

8.2 Specific Performance

Either party may institute any action, claim, or legal proceedings to enforce the provisions of this Agreement, and the party against whom such action, claim, or legal proceedings is brought hereby waives any claim or defence that such party has an adequate remedy at law and accepts that this Agreement may be enforced by injunction, specific performance or other equitable relief ordered by any court of competent jurisdiction.

9. CONFIDENTIALITY AND ANNOUNCEMENTS

9.1 Confidentiality

- (a) Subject to Clause 9.2, each party shall treat as strictly confidential:
- (i) the existence, provisions or subject matter of this Agreement or of any document or agreement entered into pursuant to this Agreement; and
 - (ii) the negotiations relating to this Agreement.

9.2 Exceptions

A party may disclose information referred to in Clause 9.1 (including by way of press or public announcement or the issue of a circular) which would otherwise be required to be kept confidential if and to the extent that the disclosure is:

- (a) approved by the other party in writing in advance;
- (b) required by the law of any relevant jurisdiction or by a court of competent jurisdiction;

- (c) required by any securities or investment exchange or regulatory or governmental body to which a party or its holding company is subject or reasonably submits, wherever situated;
- (d) required to vest in that party the full benefit of this Agreement;
- (e) made to the professional advisers, auditors or bankers of that party or of any member of the Seller's Group or of any member of the Purchaser's Group subject to the condition that the party making the disclosure shall procure that those persons comply with Clause 9.1 as if they were parties to this Agreement;
- (f) made to the officers or employees of that party or of any other member of the Seller's Group or of any other member of the Purchaser's Group who need to know the information for the purposes of the transactions effected or contemplated by this Agreement subject to the condition that the party making the disclosure shall procure that those persons comply with Clause 9.1 as if they were parties to this Agreement;
- (g) of information that has already come into the public domain through no fault of that party;
- (h) of information of the kind referred to in Clause 9.1(a)(iii) which is already lawfully in the possession of that party as evidenced by its or its professional advisers' written records and which was not acquired directly or indirectly from the other party to whom it relates;
- (i) of information relating to the terms of this transaction and made to the investors of the Seller and the Purchaser or made by the Purchaser to any future bona fide potential purchaser of the Shares; or
- (j) made for the purpose of satisfying the Conditions;

provided that any information disclosed pursuant to Clause 9.2(b) or (c) shall be disclosed only, if reasonably practicable, after notice to the other party (except where that notice is prohibited by law) and the disclosing party shall take reasonable steps to consult and co-operate with the other party regarding the content, timing and manner of that disclosure.

9.3 **No limit in time**

The restrictions contained in this Clause shall continue to apply after the rescission or termination of this Agreement and, following Completion, shall continue to apply without limit in time.

9.4 **Notices to customers etc.**

Nothing in this Agreement shall prohibit the Purchaser from making or sending after Completion any announcement to a client, tenant or supplier of the Company informing it that the Purchaser has purchased or agreed to purchase the Shares.

10. GENERAL

10.1 Costs and Stamp Duty

- (a) Except to the extent this Agreement provides otherwise, each party shall be responsible for all the costs, charges and expenses incurred by it in connection with and incidental to the negotiation, preparation, execution and completion of this Agreement, the other documents referred to in this Agreement and the sale and purchase under this Agreement.
- (b) The stamp duty and all other taxes (if any) in respect of the transfer of the Shares and the assignment of the Loan shall be borne solely by the Parties in equal shares.

10.2 Entire agreement

- (a) This Agreement contains the entire agreement between the parties as to its subject matter and supersedes any previous agreement between the parties relating to its subject matter.
- (b) Nothing contained in this Agreement shall affect or diminish the liability of the Seller in respect of any reply given by them or on their behalf to the Purchaser in respect of enquiries regarding the Company or the Property.

10.3 Continuing Effect

Each provision of this Agreement shall continue in full force and effect after Completion.

10.4 Amendments

No amendment or variation of the terms of this Agreement shall be effective unless it is made or confirmed in a written document signed by each party.

10.5 Waivers

No failure or delay by a party to exercise any right under this Agreement or otherwise will operate as a waiver of that right or any other right nor will any single or partial exercise of any such right preclude any other or further exercise of that right or the exercise of any other right.

10.6 Rights and remedies exclusive

The rights, powers and remedies of each party under this Agreement are cumulative and not exclusive of any rights or remedies of that party under the general law.

10.7 Further assurance

The Seller shall sign such documents and perform such acts (or procure the same) as the Purchaser shall from time to time reasonably require, to give full effect to this Agreement.

10.8 Counterparts

This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts.

10.9 Notices

- (a) All notices and other communications relating to this Agreement:
- (i) shall be in English and in writing;
 - (ii) shall be delivered by hand or sent by post; and
 - (iii) subject to Clause 10.10, shall be delivered or sent to the party concerned at the relevant address or number, as appropriate, and marked all as shown in Clause 10.9(b), subject to such amendments as may be notified from time to time in accordance with this Clause by the relevant party to the other party by no less than five (5) Business Days' notice.
- (b) The initial details for the purposes of Clause 10.9(a) are
- Seller
- Address: c/o Block A, 7/F., Phase 6, Hong Kong Spinners Building,
481-483 Castle Peak Road, Cheung Sha Wan, Kowloon
- For the Attention of: The Directors
- Purchaser
- Address: c/o Block A, 7/F., Phase 6, Hong Kong Spinners Building,
481-483 Castle Peak Road, Cheung Sha Wan, Kowloon
- For the Attention of: The Directors
- (c) Each of the communications referred to in this Clause 10.9 shall take effect:
- (i) on personal delivery to any director or the secretary of an addressee or on a business day to a place for the receipt of letters at that addressee's authorised address;
 - (ii) in the case of posting, where the addressee's authorised address is in the same country as the country of posting, at 10 a.m. (local time at the place where the address is located) on the second working day after the day of posting; and
 - (iii) in the case of posting, where the addressee's authorised address is not in the same country as the country of posting, at 10 a.m. (local time at the place where that address is located) on the fifth working day after the day of posting.
- (d) For the purpose of this Clause 10.9, a "**working day**" means a day which is not a Saturday or a Sunday or a public holiday in the country of posting or in the jurisdiction where the authorised address of the intended recipient is located and, where a notice is posted, which is not a day when there is a disruption of postal services in either jurisdiction which prevents collection or delivery.

10.10 **Governing law and jurisdiction**

- (a) This Agreement shall be governed by and construed in accordance with Hong Kong law.
- (b) The parties submit to the non-exclusive jurisdiction of the Hong Kong courts.
- (c) The Seller appoints Easyknit International Holdings Limited whose business address is at Block A, 7/F., Phase 6, Hong Kong Spinners Building, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong (Attn: Koon Ho Yan Candy) as its agent for that purpose accepts its appointment. For the purposes of Order 10 Rule 3 of the Rules of the High Court (Cap. 4A), any Service Document shall be sufficiently served on the Seller if delivered to its process agent as specified in this Clause 10.10(c), but the Purchaser reserves the right to serve on the Seller in any other manner permitted by applicable law.
- (d) The Purchaser appoints Eminence Enterprise Limited whose business address is at Block A, 7/F., Phase 6, Hong Kong Spinners Building, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong (Attn: Lai Law Kau) as its agent for that purpose accepts its appointment. For the purposes of Order 10 Rule 3 of the Rules of the High Court (Cap. 4A), any Service Document shall be sufficiently served on the Purchaser if delivered to its process agent as specified in this Clause 10.10(d) but the Seller reserves the right to serve on the Purchaser in any other manner permitted by applicable law.
- (e) If for any reason an agent appointed under this Clause 10.10 ceases to act as such or ceases to have an address in Hong Kong, the Seller or the Purchaser (as the case may be) shall as soon as reasonably practicable appoint another agent for that purpose and notify the other parties of the appointment and the new agent's name and address.

10.11 **Exclusion of Application of Contracts (Rights of Third Parties) Ordinance**

The parties hereto do not intend any term of this Agreement (including any variations, modifications, amendments and/or supplements thereto) to be enforceable by any person other than the parties pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong).

11. **BUNDLE PURCHASE**

11.1 **Simultaneous Completion**

- (a) Completion under this Agreement and the completion of the sale and purchase transactions contemplated in the other Related Agreements shall take place simultaneously.
- (b) Notwithstanding anything provided herein to the contrary, if for whatever reason the sale and purchase transaction contemplated under any of the other Related Agreements does not proceed to completion at the same time as Completion is to take place under this Agreement, then the Completion Date shall be postponed to a date (being a Business Day) to be agreed between the Seller and the Purchaser Provided that such date shall not be a date beyond the Long Stop Date.

EXECUTION:

The parties have shown their acceptance of the terms of this Agreement by executing it after the Schedules.

SCHEDULE 1
PART 1
DETAILS OF THE COMPANY

Name : On Channel International Limited (安昌國際有限公司)

Date of incorporation : 22 July 2011

Place of incorporation : Hong Kong

Company number : 1640428

Registered office : Block A, 7/F, Phase 6, Hong Kong Spinners Building,
481-483 Castle Peak Road, Cheung Sha Wan, Hong Kong

Directors : (1) LUI Yuk Chu (雷玉珠)
(2) TSE Wing Chiu Ricky (謝永超)

Secretary : LUI Yuk Chu (雷玉珠)

No(s) of issued share(s) : 1

Shareholders : Easyknit Properties Holdings Limited

Accounting reference date : 31st March

Auditors : Zhonghui Anda CPA Limited

PART 2
DETAILS OF LOAN TO THE COMPANY

Outstanding amount as at the date of this Agreement: HK\$22,716,913 subject to adjustment on this Agreement date

SCHEDULE 2 THE PROPERTY

Part 1 Details of the Property

Shop A on Ground Floor of One Victory, Nos. 1, 1A and 3 Victory Avenue, Kowloon (the "Property"). 10,108/100,000th shares of Kowloon Inland Lot No. 1343; Kowloon Inland Lot No. 1344 (the "Lots")

Part 2 List of Bank Security Documents

1. Mortgage
2. Assignment of Rental Income and Sales Proceeds
3. Assignment of Insurances
4. Subordination Deed incorporating an Assignment of Loan
5. Guarantee

Part 3 Details of Bank Loan

Outstanding amount (including interest accrued) as at the date of this Agreement:
HK\$48,389,936 subject to adjustment on this Agreement date

(Note: This loan is borrowed by Easyknit International Holdings Limited and secured by a single mortgage on the Property and Shop B, Shop C situated at One Victory, amongst other things.)

Part 4 Details of Tenancies

The Property is subject to a tenancy for a term of three (3) years and expiring on 31 March 2025, at a monthly rent of HK\$75,000 from 1 April 2022 to 31 March 2023 and HK\$78,000 from 1 April 2023 to 31 March 2025, exclusive of Government Rates, management fees and utility charges.

SCHEDULE 3 WARRANTIES

1. CAPACITY AND AUTHORITY

1.1 Right, power, authority and action

- (a) The Seller has the right, power and authority to execute, deliver and exercise its rights, and perform its obligations, under this Agreement.
- (b) The execution of this Agreement and the transfer of the Shares and the assignment of the Loan from the Seller to the Purchaser does not breach any agreement or applicable law binding on the Company.

1.2 Binding agreements

The Seller's obligations under this Agreement, and each document to be executed at Completion are, when the relevant document is executed will be, enforceable in accordance with their terms.

2. CORPORATE MATTERS

2.1 Particulars of the Company

The particulars of the Company set out in Schedule 1 (*Details of the Company*) are true, complete, accurate and not misleading.

2.2 Constitution of the Company

The Company has been duly incorporated and validly exists under the laws of the place at which it is incorporated and has all requisite corporate powers and authority to own its properties and to conduct the business being carried on by it.

2.3 Shares free From Encumbrances

The Shares and any unissued debentures or other securities of the Company (if any) are free from and unaffected by any Encumbrance save for the Bank Security Documents.

2.4 Ownership of Shares

The Seller is the sole legal and beneficial owner of the Shares in the manner as set out in Part 1 of Schedule 1 (*Details of the Company*).

2.5 Ownership of the Loan etc.

- (a) The Seller is the sole legal and beneficial owner of the Loan free from all Encumbrances save for the Bank Security Documents. The Loan is duly owing and payable by the Company to the Seller.

- (b) The Loan is non-interest bearing, repayable on demand and made by the Seller to the Company.

2.6 Entire issued share capital

The Shares constitute the whole of the issued and allotted share capital of the Company and are fully paid.

2.7 Options

There are not in existence any rights or options to or for the issue, allotment or transfer of any loan or share capital of the Company.

2.8 No interest in other companies

The Company is not the legal or beneficial owner of any shares of, and does not control, any company or other legal entity.

2.9 Statutory Books

- (a) The register of members and all other available statutory books of the Company in the Seller's possession have been properly kept and contain a true, accurate and complete record of all matters with which they should deal.

- (b) The copy of the constitutional document of the Company which has been supplied to the Purchaser is complete, accurate and up to date.

2.10 Business of the Company

The Company has been established for the sole purpose of property acquisition and holding and it has no other business or operations.

2.11 Borrowings

Save for the Loan and the Bank Loan, the Company has no borrowings or indebtedness having the commercial effect of borrowings.

3. ACCOUNTING AND RECORDS

3.1 General

All the accounts, ledgers and other financial records of the Company required to be kept by law have been properly kept and are accurate in all material respects.

3.2 Audited Accounts

The Last Audited Accounts of the Company:

- (a) comply with the requirements of all relevant laws and all applicable Hong Kong Financial Reporting Standards (which term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of

the Hong Kong Companies Ordinance) (the “Relevant Accounting Standards”) and are complete and accurate in all material respects;

- (b) have been prepared in a manner fully consistent with that used in preparing the Audited Accounts for the previous three completed financial years;
- (c) give a true and fair view of the assets, liabilities and financial affairs generally of the Company as at Last Accounting Date for which they were prepared and the profit or loss of the Company in respect of such financial period;
- (d) as at relevant accounting date at which they were prepared make: -
 - (i) proper provision for all known liabilities;
 - (ii) proper disclosure of and proper provision for (or note in accordance with all Relevant Accounting Standards) all capital commitments and all deferred or contingent liabilities (including Taxation of the Company); and
 - (iii) proper provision for all doubtful receivables, and all bad receivables have been written off; and
- (e) are not affected by any unusual or non-recurring items except those which are disclosed as such in the Last Audited Accounts.

3.3 Management Accounts

The Management Accounts:

- (a) have been prepared on a basis consistent with the Last Audited Accounts and with due care and attention;
- (b) show with reasonable accuracy the state of affairs and the assets and liabilities of the Company as at and for the period in respect of which they have been prepared; and
- (c) has not been any material adverse change in the assets and liabilities of the Company since the date of such accounts.

3.4 Changes since the Last Accounting Date

Since the Last Accounting Date:

- (a) the Company has not declared, paid or made a dividend or distribution;
- (b) the business of the Company has been carried on in the ordinary and usual course and in the same manner (including nature and scope) as in the past. No asset of the Company has been acquired or disposed of, or has been agreed to be acquired or disposed of, otherwise than in the ordinary course of business;
- (c) no unusual or abnormal contract has been entered into by the Company;
- (d) no material liability has been created by, or has otherwise arisen in respect of the Company; and

- (e) the Company has not passed any resolutions in general meeting or its equivalent (other than any resolution constituting ordinary business conducted at an annual general meeting).

3.5 Bank Accounts

All bank account(s) maintained by the Company has been and/or will be disclosed to the Purchaser before Completion.

4. PROPERTY MATTERS

- (a) The Company is the legal and beneficial owner of the Property.
- (b) The Property comprises all the property owned, occupied or otherwise used by the Company.
- (c) The government rent, rates, management fees and all other Ordinary Outgoings in respect of the Property have been duly paid up to the date hereof and will be duly paid up to Completion.
- (d) The Company has not contracted to sell or let or grant any option over or otherwise dispose of its interest in or part with the possession of the Property or any part of it, except the granting of the Tenancies and the Material Agreement (as the case may be).
- (e) For the parts of the Property subject to the Tenancies, at Completion, such parts of the Property shall be delivered subject to the Tenancies on an “as-is” basis. For the parts of the Property not subject to the Tenancies, at Completion, such parts of the Property shall be delivered with vacant possession on an “as-is” basis.
- (f) There are no outstanding notices, orders, complaints or requirements issued by any Government Authority in respect of the Property or any part of it.
- (g) There are no outstanding disputes, claims, complaints between the Company and any third party affecting the Property.

5. THE TENANCIES

The Property is now only subject to and with the benefit of the Tenancies and no other occupation of whatsoever nature.

6. INSURANCE

6.1 Existing policies Disclosed

The Company has in force all insurances required by law. Each of the Insurance Policies have been Disclosed.

6.2 Status of the Insurance Policies

Neither the Company nor the Seller has done anything or omitted to do anything and there are no circumstances which have, will or which might make any of the Insurance Policies void or voidable.

6.3 Premiums

All premiums that are due under the Insurance Policies have been paid and all other conditions of the Insurance Policies have been performed and observed in full.

7. LITIGATION AND COMPLIANCE WITH LAWS

- (a) The Company has conducted its business and affairs in accordance with all applicable laws and regulations.
- (b) The Company is not involved as claimant or defendant in:
 - (i) any legal proceeding, arbitration, tribunal proceeding or prosecution (other than frivolous or vexatious claims or as claimant in the collection of debts arising in the ordinary course of business); or
 - (ii) any governmental or regulatory investigation.
- (c) No power of attorney given by the Company is now in force or effect.

8. SOLVENCY

- (a) No receiver or manager has been appointed in respect of the assets or undertaking of the Seller or the Company.
- (b) No petition has been presented, and no order has been made, for the winding up or dissolution of the Seller or the Company.
- (c) No distress, execution, sequestration or other process has been levied or enforced on or against the whole or any part of the property of the Company or the Seller and, none are threatened or proposed.
- (d) Neither the Seller or the Company is unable to pay its debts as they fall due.

9. CONTRACTS AND COMMITMENTS

9.1 Disclosure of material contracts

Copies of Material Agreements have been provided to the Purchaser.

9.2 No invalidity of a Material Agreement

No fact or circumstance exists which might invalidate or give rise to a ground for termination, avoidance or repudiation of any Material Agreement. No party with whom the Company has entered into a Material Agreement has given notice of its intention to terminate, or has sought to repudiate or disclaim, such agreement.

9.3 No breach of a Material Agreement

Neither the Company nor any party with whom the Company has entered into a Material Agreement is in material breach of the agreement. The Company has not waived any of its rights under a Material Agreement.

9.4 Indebtedness

Except for (i) the Loan which will be assigned at Completion and (ii) the Bank Loan, the Company has not any outstanding and has not agreed to create or incur loan capital, borrowings or indebtedness in the nature of borrowings or finance lease (being a lease which is a form of financing, rather than an operating lease), hire purchase or title retention agreement, conditional sale agreement or other off-balance sheet financing, or any forward, swap or any other financial derivative contract or hedging arrangement.

9.5 Event of Default

The Seller has obtained consent from the Bank with respect to transfer of the Shares and assignment of the Loan and the entering into this Agreement and the completion of the transactions contemplated herein shall not constitute an event of default under the Bank Security Documents.

10. TAX

10.1 Payment of tax

The Company has duly and punctually paid all Taxation which it is or has been liable and due to pay prior to the date of this Agreement.

10.2 Administration and compliance

- (a) All returns, notifications, computations, registrations and payments which should have been made or filed by the Company for any Taxation purpose were made or filed within the requisite periods and were when made or filed and remain up to date, correct and on a proper basis.
- (b) As at the date of this Agreement, the Company is not involved in any dispute in relation to Taxation and, no authority has investigated or indicated that it intends to investigate the Taxation affairs of the Company.

10.3 Stamp duty

All documents which are in the possession of the Company or by virtue of which the Company has any right and which were susceptible to stamping have been duly stamped or will be duly stamped before Completion.

11. STAFF AND EMPLOYEES

As at Completion, the Company will have no staff or employees.

**SCHEDULE 4
LIMITATIONS ON CLAIMS**

1. NO CLAIM FOR MATTERS DISCLOSED OR DONE AT PURCHASER'S REQUEST

- (a) The Purchaser shall not be entitled to claim against the Seller for breach of any of the Warranties in respect of (i) any matters Disclosed; and (ii) any matter within the actual knowledge of the Purchaser on or prior to the date of this Agreement.
- (b) The Purchaser shall not be entitled to claim against the Seller for breach of this Agreement (including in respect of any of the Warranties or Tax Indemnity) arises directly or indirectly from any fact, event, matter or circumstance after the date of this Agreement done or omitted to be done at the written request of or with the prior written approval of the Purchaser.

2. TIME LIMITS ON CLAIMS

- (a) Subject to sub-clause (b), no claim shall be brought by the Purchaser unless it shall have given notice in writing of the claim to the Seller: -
 - (i) in the case of a claim under the Tax Indemnity and the Tax Warranty, not later than the expiration of a period of three (3) years commencing on the Completion Date; and
 - (ii) in any other case not later than the expiration of a period of twelve (12) months commencing on the Completion Date.
- (b) The liability of the Seller in respect of any such claim shall in any event terminate if the legal proceedings in respect of it has not been commenced by being issued and served within six (6) months of the notice given in respect of such claim under sub-clause (a) above.

3. MINIMUM CLAIMS

The Seller shall only be liable in respect of any claim brought by the Purchaser for breach of this Agreement if the aggregate amount of all claims brought by the Purchaser exceeds a total of HK\$100,000.00.

4. TOTAL LIABILITY

The aggregate liability of the Seller in respect of claim(s) brought by the Purchaser for breach of this Agreement shall not exceed a maximum sum equivalent to the Purchase Price.

5. RECOVERY FROM THIRD PARTIES

If any payment is made by the Seller in or towards the settlement of any claim made pursuant to this Agreement and the Purchaser or the Company subsequently recovers or procures the recovery from a third party (including insurers) of an amount which is referable to that claim, the Purchaser shall or shall procure that the Company shall forthwith repay to the Seller an amount equal to whichever is the lesser of:

- (a) the amount recovered from the third party; and
- (b) the amount paid by the Seller in or towards settlement of the claim,

in each case less all reasonable costs, charges and expenses incurred in making the recovery.

6. CONTINGENT LIABILITIES

The Purchaser shall not be entitled to claim against the Seller for any liability which is contingent unless and until such contingent liability becomes an actual liability and is due and payable.

7. OTHER LIMITATIONS

Without prejudice to the above, the Purchaser shall not be entitled to claim against the Seller if and to the extent that:

- (a) provision or reserve in respect of the subject matter of the claim or Tax in question has been made in the Audited Accounts and the unaudited management accounts of the Company for the period up to the Completion Date;
- (b) the claim or the Tax in question would not have arisen but for any voluntary act, omission, transaction or arrangement (or any combination of any of the same) after Completion of the Purchaser or the Company or any successor in title to the Shares or their respective directors, employees or agents, including but not limited to :-
 - (i) the disposal or sale or transfer of the whole or part of the Property by the Company after Completion;
 - (ii) the disposal or sale or transfer (whether directly or indirectly) of the whole or part of the share(s) in the Company after Completion; or
 - (iii) any act or thing done amounting to a change of the Company's intention in holding the Property after Completion or otherwise resulting in a revaluation of the Property by the Tax Authority;
- (c) the claim or the Tax in question would not have arisen but for any change in the accounting policy or practice of the Company made on or after Completion;
- (d) the claim or the Tax in question arises or is increased as a result of the passing of, or any change in or any change in the interpretation of, any law, rule, regulation or administrative practice of any government, government department, local or state agency, authority, regulatory or fiscal body made on or after Completion with retrospective effect;
- (e) the claim or the Tax in question arises or to the extent that such claim is increased as a result of the Purchaser not complying with its obligations under this Agreement;
- (f) the subject matter of the claim has been made good or has otherwise been compensated for without cost to the Purchaser or the Company; or

- (g) the claim is (or would have been if notified to the Seller or the insurers in a timely manner) recovered by the Purchaser or the Company under a policy of insurance.

8. MITIGATION

The Purchaser has a common law duty to mitigate any loss or damage incurred by it as a result of any breach of any of the Warranties or any terms of this Agreement.

9. NO DOUBLE RECOVERY

The Purchaser shall not be entitled to recover damages or obtain payment, reimbursement, restitution or indemnity more than once in respect of any one matter, fact, event or circumstance giving rise to a claim for breach of any of the Warranties or other obligations under this Agreement.

10. CONSEQUENTIAL LOSS

The Purchaser shall not be entitled to claim for any indirect or consequential loss, whether actual or prospective.

11. MARKET CONDITIONS

For the avoidance of doubt, notwithstanding any other provisions of this Agreement or any Warranties, the Seller shall not be liable to the Purchaser in respect of (and any Warranty shall be deemed not to be breached if it becomes untrue solely as a result of) any change or price fluctuation in the property market in Hong Kong.

SCHEDULE 5
COMPLETION ARRANGEMENTS

1. SELLER'S OBLIGATIONS AT COMPLETION

1.1 **Authorisation:** The Seller shall deliver to the Purchaser as evidence of the authority of each person executing this Agreement and any document referred to in this Schedule on the Seller's behalf a certified copy of the minutes of a duly held meeting of the directors of the Seller (or equivalent body of the Seller) authorising the execution by the Seller of the document or its relevant extract.

1.2 The Seller shall deliver to the Purchaser:

(a) **Executed documents:**

- (i) instruments of transfer and sold notes in respect of the Shares in favour of the Purchaser, or as it may direct, duly executed by the Seller together with the original share certificate for the Shares (or an indemnity in form and substance satisfactions to the Purchaser in case of any lost certificate); and
- (ii) the Deed of Assignment of the Loan in the form set out in Schedule 9 duly executed by the Seller and the Company.

(b) **Resignation of directors and secretary (if any):** if required by the Purchaser, written resignations from the secretary and directors of the Company confirming no outstanding claims against the Company;

(c) **Delivery of statutory books etc.:** the common seal and chop(s), certificate of incorporation (and any certificate of incorporation on change of name) and all the statutory books of the Company (together with all unissued share certificates) properly written up to the day prior to the Completion Date (including the register of members, register of mortgages, register of directors and register of secretaries), the books of account, the minute books of meetings of the Company and of its boards of Directors, all accounting records, copies of all Tax return(s) filed, Tax computation and related correspondence (if any), all contracts to which the Company is a party and all other documents and records of the Company, in each case in the possession of or held to the order of the Company or the Seller;

(d) **Delivery of documents of title:** all documents of title to the Property, together with the Tenancies, any guarantees and all expired leases relating to the Property, in the possession of the Seller and the Company;

(e) **Resignation of auditors (if required):** if required by the Purchaser, a letter of resignation as auditors of the Company signed by the auditors of the Company together with confirmation that the auditors have no outstanding claims against the Company;

(f) **Bank Accounts:** if required by the Purchaser, copies of all existing bank mandates and statements of the balances of any bank accounts in the name of the Company, as at the close of business on the last Business Day before the Completion Date;

- (g) **Keys:** all keys of the Property except where the relevant property is subject to Tenancies at Completion;
- (h) **Certificates of Good Standing:** a certified copy of the certificate(s) of good standing in respect of the Seller issued by the relevant authority in the British Virgin Islands not earlier than 3 days before the Completion Date; and
- (i) **Certificates of Incumbency:** a certified copy of a certificate of incumbency of the Seller issued by its registered agent not earlier than 3 days before the Completion Date; and
- (j) **Stamping of Incumbency:** the schedule of landed properties (I.R.S.D102) duly completed and certified by a director of the Company.

2. BOARD MEETING OR WRITTEN BOARD RESOLUTION OF THE COMPANY

2.1 The Seller shall cause to be duly held a meeting of the board of directors of the Company or written resolutions of the board of directors of the Company at which the directors:

- (a) **Approve transfer:** approve the transfer of the Shares, the cancellation of the share certificate in name of the Seller, the issuance of new certificate in respect of the Shares in the name of the Purchaser or its nominee and the registration of the Purchaser or its nominee as member of the Company in respect of the Shares (subject to the production of properly stamped transfers);
- (b) **Assignment of Loan:** approve the assignment of the Loan together with all rights, title, benefits and interests thereof as referred to above to the Purchaser, and approve of the Deed of Assignment and to authorise the execution of the same for and on behalf of the Company;
- (c) **Change directors:** if required by the Purchaser, approve the acceptance of the resignation of the directors of the Company and appoint persons nominated by the Purchaser as directors of the Company with effect from the Completion Date;
- (d) **Change secretary:** if required by the Purchaser, approve the acceptance of the resignation of the secretary of the Company and appoint persons nominated by the Purchaser as secretary of the Company with effect from the Completion Date;
- (e) **Change auditors:** if required by the Purchaser, approve the acceptance of the resignation of the auditors of the Company and the appointment as new auditors of the Company of such person or firm as the Purchaser may nominate with effect from the Completion Date;
- (f) **Change registered office:** if required by the Purchaser, approve the change in the registered office of the Company to such address as may be nominated by the Purchaser;
- (g) **Use of seal:** approve the sealing of the share certificates for the Shares in favour of the Purchaser (or its nominees);
- (h) **Change bank signatories:** if required by the Purchaser, approve the revocation of the existing authorised signatories of the bank account(s) of the Company and

appointment of the authorised signatories as may be nominated by the Purchaser;
and

- (i) **Any other business:** any other business which may be necessary or desirable to give full effect to the sale and purchase provided for in this Agreement,

and the Seller shall supply certified true copy of the duly signed minutes of the meeting or written board resolution to the Purchaser.

3. PURCHASER'S OBLIGATIONS AT COMPLETION

3.1 The Purchaser shall deliver to the Seller:

- (a) the Convertible Note duly executed under seal in favour of the Seller (or its nominee) (which shall satisfy its obligation to pay the Balance as well as its obligation to pay "Balances" as defined in the other Related Agreements;
- (b) the Deed of assignment of the Loan in the form set out in Schedule 9 duly executed by the Purchaser;
- (c) a cheque drawn in favour of the Seller for the Cash Consideration as stipulated in Clause 2.2(a)(ii); and
- (d) a cheque drawn in favour of the Seller for the Apportionment.

SCHEDULE 6
CONDUCT OF BUSINESS UNTIL COMPLETION

The Seller shall ensure that the Company shall not do nor agree (conditionally or unconditionally) to do any of the following unless the prior written consent of the Purchaser is obtained:

1. Dispose of, or grant any option or right of pre-emption in respect of, or acquire, any fixed asset.
2. Acquire or dispose of any interest in any asset (except in the ordinary course of business as carried on at the date of this Agreement) or assume or incur, a liability, obligation or expense (actual or contingent) except in the ordinary course of business as carried on at the date of this Agreement.
3. Enter into any joint venture, partnership or profit share.
4. Save for the Tenancies, the Bank Security Documents and any other security documents required by the Bank to secure the Bank Loan, create, extend, grant or issue any mortgage, charge, debenture, pledge, lien, encumbrance or other security or third party right (other than liens arising in the ordinary course of business) over any of its assets.
5. Save for such security documents as required by the Bank to secure the Bank Loan, create, extend or grant any guarantee, indemnity, performance bond or other security or contingent obligation in the nature of a financial obligation or incur any liability in the nature of borrowing including letters of comfort or support.
6. Create, allot or issue any shares, loan capital, securities convertible into shares or any option or right to subscribe in respect of any shares, loan capital or securities convertible into shares.
7. Declare, pay or make any dividend or distribution.
8. Make or agree to make any capital commitment or approve any capital expenditure.
9. Allow any of its insurances to lapse or do anything to make any Insurance Policy void or voidable or would or would be likely to, increase any premium payable in respect of such policy or prejudice the ability to effect equivalent insurance in the future.
10. Alter the provisions of its constitutional documents or adopt or pass regulations or resolutions inconsistent with them.
11. Reduce its share capital.
12. Enter into, renew, amend, terminate or dispose of any tenancy or lease agreement in respect of any Property (including any Tenancies) or acquire or dispose of any interest in any Property except as Disclosed.
13. Appoint any directors, secretaries or grant any power of attorney.
14. Save in connection with rental recovery in the ordinary course of business, start any civil, criminal, arbitration or other proceedings.

15. Settle, compromise, release, discharge or compound any civil, criminal, arbitration or other proceedings or any liability, claim, action, demand or dispute or waive any right in respect of the foregoing.
16. Pass any resolution in general meeting (other than any resolution constituting ordinary business conducted at an annual general meeting).

SCHEDULE 7 CONDITIONS

1. Due Diligence

The Purchaser having completed its due diligence review on the business, financial, legal and other aspect of the Company and the Property and being reasonably satisfied with the results thereof and the Seller having delivered to the Purchaser a report in form and substance reasonably satisfactory to the Purchaser addressed to the Purchaser by Howse Williams to the effect that the Company is in a position to prove and give title to the Property in accordance with sections 13 and 13A of the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong) subject to the Tenancies, the Bank Security Documents and relevant issues identified in the said report.

2. Purchaser Shareholders Approval

The Purchaser having obtained the approval from its shareholders (or where appropriate, the independent shareholders) in a general meeting in relation to (i) the purchase of the Shares and assignment of the Loan and (ii) the issue of the Convertible Note and the issue and allotment of the shares in the Purchaser on conversion of the Convertible Note (if required) in the manner required under the Listing Rules.

3. Easyknit Shareholders Approval

Easyknit having obtained the approval from the shareholders of Easyknit in a general meeting in relation to the sale of the Shares and assignment of the Loan in the manner required under the Listing Rules.

4. The Stock Exchange

The Stock Exchange having granted a listing of, and permission to deal in, the shares in the Purchaser issuable on conversion of the Convertible Note.

5. Bank's Consent

The consents and approvals (if any) required under the Bank Security Documents being granted and given by the Bank in favour of the Company in respect of the transactions contemplated under this Agreement having been obtained in form and substance reasonably satisfactory to the Purchaser.

6. Refinancing

A contractual commitment from a bank to lend funds sufficient to repay the loan from Hang Seng Bank Limited in favour of Easyknit International Holdings Limited secured by the Bank Security Documents and the release of the Bank Security Documents having been obtained, in form and substance reasonably satisfactory to the Purchaser and the Seller.

SCHEDULE 8
DEFINITIONS AND INTERPRETATION

1. Interpretation

In this Agreement, unless the context requires otherwise, any reference **gender** includes all genders and any reference to the singular includes the plural (and vice versa).

“Apportionment” means the sum equivalent to $A - B$

where:

A = The aggregate amount of the book value of the following current assets of the Company as at the Completion Date:-

- (a) utilities, management fees, government rent and other miscellaneous deposits in relation to the Property for the period up to and inclusive of the Completion Date as shown in the Apportionment Account;
- (b) prepaid expenses;
- (c) prepaid tax;
- (d) accounts receivable;
- (e) the aggregate amount of any cash and bank balance of the Company as at the Completion Date (if any),

B = The aggregate amount of all liabilities of the Company, accrued or deferred, as at the Completion Date, including current tax payable or tax provision (if any) and periodical charges or Ordinary Outgoing in respect of the Property and the amount payable by the Seller under the Apportionment Account;

“Apportionment Account” means an apportionment account containing details of the expenses and Ordinary Outgoings arising from the Property to be payable by the Seller and the Purchaser;

“Audited Accounts” means in relation to any completed financial years of the Company, the audited (i) statement of financial position and (ii) income statement, each of the Company as at the Financial Year End Date in respect of that financial year, together in each case with all notes, reports and statements required by law or Relevant Accounting Standards to be annexed to them;

“Balance” has the meaning given in Clause 2.2(a)(ii);

“Bank” means Hang Seng Bank Limited;

“Bank Loan”	means the outstanding principal together with interest accrued owing to the Bank by the Company details of which are in Part 3 of Schedule 2;
“Bank Security Documents”	means the security documents as set out in Part 2 of Schedule 2 provided by the Company in favour of the Bank as part of the security for the Bank Loan;
“Business Day”	means a day (not being a Saturday, Sunday or public holiday or any day on which a tropical cyclone signal no. 8 or above or black rainstorm signal is hoisted in Hong Kong) when banks generally are open in Hong Kong for the transaction of general banking business;
“Company”	means On Channel International Limited 安昌國際有限公司, details of which are set out in Schedule 1;
“Completion”	means completion of the sale and purchase of the Shares and the assignment of the Loan under this Agreement;
“Completion Date”	has the meaning given in Clause 4.1;
“Conditions”	means the conditions set out in Schedule 7;
“Convertible Note”	means an unsecured note convertible into shares in the capital of the Purchaser in the agreed form set out in a separate document signed by the Seller and the Purchaser;
“Deed of Assignment”	means the deed of assignment of the Loan in the form substantially set out in Schedule 9, pursuant to which all of the right, title and interest of the Seller in the Loan is assigned absolutely to the Purchaser;
“Deposit”	has the meaning given in Clause 2.2(a)(i);
“Disclosures”	has the meaning given in Clause 7.2 and “Disclosed” shall be construed accordingly;
“Due Diligence”	has the meaning given in Clause 7.2;
“Easyknit”	means Easyknit International Holdings Limited, a company incorporated under the laws of Bermuda (company number 19913) whose registered address is at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda, and registered in the Hong Kong as a non-Hong Kong company (company number F6937) whose principal place of business in Hong Kong is at 7/F, Hong Kong Spinners Building, Phase 6, No. 481 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong, with its shares listed on the Main Board of the Stock Exchange (stock code 1218);

“Encumbrance”	means any mortgage, charge, pledge, lien, restriction, assignment, hypothecation, security interest, title retention or any other agreement or arrangement the effect of which is the creation of security; or any other interest, equity or other right of any person (including any right to acquire, option, right of first refusal or right of pre-emption); or any agreement or arrangement to create any of the same;
“Financial Year End Date”	means in relation to any financial year of the Company, the last day of that financial year;
“Insurance Policies”	means each current insurance policy in which the Company has an interest;
“Last Accounting Date”	means 31 st March 2022;
“Last Audited Accounts”	means the Audited Accounts of the Company in respect of its financial year ended on the Last Accounting Date;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan”	means the shareholder’s loans owing by the Company to the Seller as set out in Part 2 of Schedule 1;
“Loan Consideration”	has the meaning given in Clause 2.1(a);
“Long Stop Date”	means 30 June 2023;
“Management Accounts”	means the unaudited management accounts of the Company for the period from 1 st April 2022 to 31 st October 2022;
“Material Agreement”	means any agreement to which the Company is a party with a value of more than HK\$1,000,000;
“Ordinary Outgoings”	means, in connection with the Property, government rent and rates, electricity, gas, water, telephone, internet access, management, and other regular services or utilities supplied to the Company;
“Property”	means the property described in Part 1 of Schedule 2;
“Purchase Price”	has the meaning given in Clause 2.1;
“Purchaser’s Group”	means any of the following: the Purchaser, all persons it controls from time to time and any person that controls the Purchaser and all other persons from time to time controlled by any such person that controls the Purchaser and “member of the Purchaser’s Group” shall be construed accordingly;

“Related Agreements”	means each of the following sale and purchase agreements of even date (which include this Agreement) between the Purchaser and the Seller relating to the sale of inter alia the entire share capital of (A) On Channel International Limited 安昌國際有限公司 (B) Day Glory Investment Limited 日興投資有限公司 (C) Well Honest Investment Limited 宏誠投資有限公司 (D) Asia Million Investment Limited 僑萬投資有限公司;
“Relevant Accounting Standards”	has the meaning given in paragraph 3.2(a) in Schedule 3;
“Relevant Authority”	means any government, government department or governmental, quasi-governmental, supranational, federal, statutory, regulatory or investigative body, authority (including any national or supranational anti-trust or merger control authority) court, tribunal, stock exchange, trade agency, professional association or institution, environmental body or any other person or body whatsoever in any jurisdiction;
“Relief”	includes any relief, allowance, set-off or deduction or credit or right to repayment of Taxation available to the Company granted or pursuant to any legislation concerning or otherwise relating to Taxation;
“Seller’s Group”	means any of the following from time to time: the Seller, all persons it controls and any person that controls the Seller and all other persons controlled by any such person that controls the Seller and “member of the Seller’s Group” shall be construed accordingly. For the purpose of this Agreement, member of the Seller’s Group shall include Easyknit;
“Service Document”	means a claim form, summons, order, judgment or other process relating to or in connection with any Proceedings;
“Shares”	means all the issued shares in the capital of the Company;
“Shares Consideration”	has the meaning given in Clause 2.1(b);
“Tax” or “Taxation”	means (i) all forms of taxation and statutory, governmental, duties, contributions, deductions, withholdings and levies whenever imposed, (ii) all penalties, charges and interest relating to any of them within paragraph (i), and (iii) denial, deprivation, loss, reduction or setting off in whole or in part of a Relief;

“Tax Indemnity”	has the meaning given in Clause 6.1;
“Tax Warranty”	means the Warranty referred to in paragraph 10 of Schedule 3;
“Tenancies”	means the tenancy or, if there is more than one, all the tenancies of the Property details of which are in Part 4 of Schedule 2;
“Warranties”	means the statements set out in Schedule 3.

**SCHEDULE 9
FORM OF DEED OF LOAN ASSIGNMENT**

Private & Confidential

Dated _____ 2023

EASYKNIT PROPERTIES HOLDINGS LIMITED

and

[TBA] LIMITED

and acknowledged by

**ON CHANNEL INTERNATIONAL LIMITED
(安昌國際有限公司)**

ASSIGNMENT OF SHAREHOLDER LOAN

THIS ASSIGNMENT is made on

2023

BETWEEN:

- (1) **Easyknit Properties Holdings Limited**, a company incorporated in the British Virgin Islands whose registered office is at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the “**Assignor**”);
- (2) **[] Limited**, a company incorporated in [] whose registered office is at [] (the “**Assignee**”); and
- (3) **On Channel International Limited 安昌國際有限公司**, a company incorporated in Hong Kong whose registered office is at Block A, 7/F, Phase 6, Hong Kong Spinners Building, 481-483 Castle Peak Road, Cheung Sha Wan, Hong Kong (the “**Company**”).

BACKGROUND:

The Assignor wishes to assign to the Assignee all rights, interests and benefits of and in the shareholder loan owed by the Company to the Assignor as more particularly described in the Agreement (defined below) (the “**Loan**”). The Assignee has agreed to accept such assignment on the terms of this Assignment.

IT IS AGREED that:

1. In this Assignment, “**Agreement**” means the Agreement for the sale and purchase of the entire issued share capital of the Company dated [●] 2022 entered into between the Assignor and Eminence Enterprise Limited.
2. In this Assignment, unless otherwise specified, terms defined in the Agreement shall have the same meaning in this Assignment.
3. In consideration of the payment by the Assignee to the Assignor of the sum of **HK\$[●]** of which receipt is hereby acknowledged, the Assignor as the sole legal and beneficial owner of the Loan assigns to the Assignee all of its rights, titles, benefits and interests in and to the Loan free from Encumbrances, and the Assignee shall be entitled to all the rights, titles, benefits and interests of the Loan.
4. The assignment described in clause 3 is effective on the Completion Date.
5. The Assignor hereby represents and warrants to the Assignee that:
 - (a) the Loan is due and owing in full to the Assignor from the Company;
 - (b) the Loan is free from all or any Encumbrances, third party rights or interest, mortgages or securities interest of any kind or any agreement for any of the same save for the Bank Security Documents;
 - (c) the Assignor has power to assign and transfer the Loan to the Assignee in the manner set out in this Assignment; and

- (d) no other amounts are owing from the Company to the Assignor other than the Loan.
- 6. This Assignment may be executed in any number of counterparts, and by the parties on separate counterparts.
- 7. The Company by its execution hereby acknowledges receipt of notice of this assignment.
- 8. The parties do not intend any term of this Assignment to be enforceable by any person who is not a party to this Assignment notwithstanding to the Contracts (Rights of Third Parties) Ordinance (Cap.623) and agree that this Assignment shall be excluded from the application of that Ordinance.
- 9. This Assignment shall be governed by, and construed in accordance with Hong Kong laws. The parties submit to the exclusive jurisdiction of the Hong Kong courts.

EXECUTED as a deed by the parties

SEALED with the **COMMON SEAL** of)
)
Easyknit Properties Holdings Limited)
)
 and **SIGNED** by [●])
)
)
 in the presence of:)

 Name:
 Title:

SEALED with the **COMMON SEAL** of)
)
[] LIMITED)
)
 and **SIGNED** by [●])
)
)
 in the presence of:)

Name:

Title:

Acknowledged for and on behalf of

the Company:

)
)
)
)
)

EXECUTED by the parties

For and on behalf of)
Easyknit Properties Holdings Limited)
Seller)
)
)
by LUI Yuk Chu)
)
)



Witnessed/Verified by

Name:
Title:

For and on behalf of)
Eminence Enterprise Limited)
Purchaser)
)
)
by LAI Law Kau)
)
)



Witnessed/Verified by

Name:
Title: