

**CONFIDENTIAL**

Dated 5 November 2015

**South China Financial Holdings Limited**

**Ng Yuk Fung, Peter**

**and**

**Ng Yuk Yeung, Paul**

**(together as vendors)**

**and**

**Prosperous Global Holdings Limited**

**(as purchaser)**

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**Agreement for Sale and Purchase  
of the entire issued share capital of  
South China Financial Credits Limited**

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## SALE AND PURCHASE AGREEMENT

THIS AGREEMENT is made the 5 day of November 2015

BETWEEN:-

- (1) **South China Financial Holdings Limited ("SCFHL")**, a company incorporated under the laws of Hong Kong, the registered office of which is at 28<sup>th</sup> Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong;
- (2) Ng Yuk Fung, Peter of 28<sup>th</sup> Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong;
- (3) Ng Yuk Yeung, Paul of 28<sup>th</sup> Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong;

(collectively the "Vendors", and each a "Vendor")

- (2) **Prosperous Global Holdings Limited**, a company incorporated under the laws of the BVI, the registered office of which is at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "Purchaser").

WHEREAS:-

- (A) The Company is a company incorporated under the laws of Hong Kong, the registered office of which is at 28<sup>th</sup> Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong.
- (B) As at the date of this Agreement, the Vendors are the legal and/or beneficial owners of the number of Sale Shares set opposite their respective names in Schedule 1, which comprise 42,125,000 Shares in aggregate, representing the entire issued share capital of the Company.
- (C) The Vendors have agreed to sell and the Purchaser has agreed to purchase the Sale Shares on and subject to the terms and conditions set out in this Agreement.
- (D) As a condition of the sale and purchase of the Sale Shares, SCFHL has agreed to procure its subsidiary(ies) to settle the Intercompany Loan(s) (as defined below) in full before or at Completion.
- (E) The Vendors acknowledge that in consideration for, and as an inducement to, the Purchaser entering into this Agreement, the Vendors give the warranties, covenants, undertakings and indemnities in this Agreement.

The Parties hereto agree as follows:-

### 1. DEFINITIONS

- 1.1 In this Agreement, including the recitals and the Schedules, unless the context otherwise requires, the following terms have the respective meanings set opposite them:-

**"Accounting Standards"** has the meaning given to it in paragraph 6 of Schedule 3;

<b>"Accounts Date"</b>	means 31 December 2014;
<b>"Agreement"</b>	means this agreement as amended or varied from time to time;
<b>"Audited Accounts"</b>	means the audited financial statements of the Company for the financial year ended on the Accounts Date;
<b>"Board"</b>	the board of Directors;
<b>"business day"</b>	means a day on which licensed banks in Hong Kong are generally open for business throughout their normal business hours, other than:- <ul style="list-style-type: none"> <li>(i) a Saturday or a Sunday; or</li> <li>(ii) a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.;</li> </ul>
<b>"BVI"</b>	means the British Virgin Islands;
<b>"Companies Ordinance"</b>	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong);
<b>"Company"</b>	means South China Financial Credits Limited, a company incorporated under the laws of Hong Kong details of which are more particularly set out in Schedule 2;
<b>"Completion"</b>	means completion of the sale and purchase of all the Sale Shares pursuant to this Agreement, by the performance of the several obligations contained in Clause 4 by the Parties;
<b>"Completion Accounts"</b>	means the unaudited balance sheet as at the Completion Date showing the balances of the assets and liabilities immediately before Completion and the unaudited profit and loss account of the Company for the period from 1 January 2015 to the Completion Date up to Completion, which shall be prepared by following the same basis and method as adopted in the preparation of the Audited Accounts in accordance with the applicable Accounting Standards, signed by the directors of the Company and the SCFHL;
<b>"Completion Accounts Date"</b>	means the same date as the Completion Date;
<b>"Completion Date"</b>	means the date of Completion;
<b>"Conditions"</b>	means the conditions precedent mentioned in Clause

3.1;

<b>“Consideration”</b>	has the meaning given to it under Clause 2.2;
<b>“Directors”</b>	means the directors of the Company; a list of the current directors of the Company is set out in Schedule 2;
<b>“Encumbrance”</b>	means <ul style="list-style-type: none"><li>(i) any mortgage, charge, pledge, lien, hypothecation, encumbrance or other security arrangement of any kind;</li><li>(ii) any claims for beneficial or other proprietary interests;</li><li>(iii) any option, equity, claim, adverse interest or other third party right of any kind;</li><li>(iv) any arrangement by which any right is subordinated to any right of such third party; or</li><li>(v) any contractual right of set-off,</li></ul> including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted any of the above;
<b>“Governmental Authority”</b>	means any government (or political subdivision of it), whether on a state, provincial, municipal or local level and whether executive, legislative or judicial in nature, including (without limitation) any agency, authority, board, bureau, commission, court, department or any other instrumentality;
<b>“HKD”</b>	means Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	means Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Immediately Available Funds”</b>	means cash, cashier order or telegraphic or other electronic means of transfer of cleared funds;
<b>“Intellectual Property Rights”</b>	means patent, trademarks, service marks, registered designs, utility models, domain names, applications for any of the foregoing and the right to apply for any of the foregoing in any part of the world, copyright, inventions, confidential information, know-how and business names and any similar rights situate in any country; and the benefit (subject to the burden) of any of the foregoing;
<b>“Intercompany Loan”</b>	means the loan(s) made by the Company to any of the SCFHL’s subsidiary (the total amount of

Intercompany Loan as at the Management Account Date being HK\$17,315,311);

**"Law"**

means

- (i) any law, statute or statutory provision, regulation, rule, constitutional provision, treaty or rule of common law or equity;
- (ii) any order, notice or decree of any Governmental Authority or other matter of any kind having the force of law; or
- (iii) any order, decree, judgment or award of any court, tribunal or arbitrator of a competent jurisdiction;

**"Licences"**

means the licence(s) granted, issued or given to and maintained by the Company in relation to its business as set out in Schedule 4;

**"Longstop Date"**

31 December 2015 (or such later date as may be agreed between the Vendors and the Purchaser in writing);

**"Losses"**

means losses, liabilities, damages, deficiencies, diminution in value, interest, penalties, fines, compensation, expenses, judgment awards or settlement of any nature or kind, and costs and expenses (including, without limitation, legal fees on a full indemnity basis);

**"Management Accounts"**

means the unaudited financial statements including, among others, the unaudited balance sheet and unaudited profit and loss statement of the Company, which shall be prepared by following the same basis and method as adopted in the preparation of the Audited Accounts in accordance with the applicable Accounting Standards, made up for the period from 1 January 2015 to the Management Accounts Date;

**"Management Accounts Date"**

means 15 October 2015;

**"Parties"**

means the named Parties to this Agreement and "Party" means any one of them;

**"PRC"**

the People's Republic of China but excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the People's Republic of China;

**"Sale Shares"**

42,125,000 ordinary shares of the Company of HKD1 each representing the entire issued share capital of the Company as at the date of this Agreement;

<b>“Shares”</b>	means the ordinary shares of HKD1 each in the issued share capital of the Company;
<b>“Tax” or “Taxation”</b>	means any form of taxation (including, but not limited to deferred taxes and capital gain taxes), levy, duty, charge, contribution, withholding or impost of whatever nature (including, but not limited to, any related fine, penalty, surcharge or interest) imposed, collected or assessed by or payable to any local, municipal, regional, governmental, state, federal or other body in Hong Kong or elsewhere;
<b>“Tax Authority”</b>	means any Tax authority or other authority or Governmental Authority competent to impose, assess or enforce any liability to Tax; and
<b>“Warranties”</b>	means the warranties, representations and/or undertakings given or made by the Vendors in this Agreement (including but not limited to Clause 5, Clause 6, and Schedule 3).

1.2 In this Agreement, including the recitals and the Schedules, unless the context otherwise requires:-

- (i) any references, express or implied, to statutes or statutory provisions shall be construed as references to those statutes or provisions as respectively amended or re-enacted or as their application is modified by other provisions (whether before or after the date hereof) from time to time and shall include any statutes or provisions of which they are re-enactments (whether with or without modification) and any orders, regulations, instruments or other subordinate legislation under the relevant statute or statutory provision. References to sections of consolidating legislation shall, wherever necessary or appropriate in the context, be construed as including references to the sections of the previous legislation from which the consolidating legislation has been prepared;
- (ii) references to “Clauses” and “Schedules” are references to clauses of, and schedules to, this Agreement;
- (iii) references to this Agreement include this Agreement, the Schedules and all other documents executed in accordance with this Agreement and expressed to be supplemental to this Agreement;
- (iv) the expressions the “Vendors” and the “Purchaser” shall, where the context permits, include their respective successors and personal representatives;
- (v) unless otherwise stated herein, all representations, warranties, undertakings, indemnities, covenants, agreements and obligations given or entered into by more than one person are given or entered into severally. The rights and liabilities of the Vendors shall be several. Each of the Vendors shall be liable for its/his own act, omission or default and if more than one Vendor shall be liable. Their liabilities shall be apportioned in proportion to their respective Shares holding;
- (vi) headings are for convenience only and shall not limit, extend, vary or

otherwise affect the construction of any provision of this Agreement;

- (vii) unless the context requires otherwise, words and expressions importing the singular include the plural and vice versa;
- (viii) words and expressions importing one gender include both genders and the neuter, and references to persons include natural persons, bodies corporate or unincorporated, sole proprietorships, partnerships, associations, enterprises, branches and all other forms of organisations and entities;
- (ix) references to a Party include its personal representatives, successors, heirs, beneficiaries, sureties and permitted assigns;
- (x) where any word or expression is given a defined meaning, any other grammatical form of such word or expression (as the case may be) shall have a corresponding meaning;
- (xi) references to writing include any method of producing or reproducing words in a legible and non-transitory form;
- (xii) unless the context requires otherwise, words and expressions defined in the Companies Ordinance shall bear the same respective meanings when used in this Agreement;
- (xiii) references to anything which a Party is required to do or not to do shall include its acts, defaults and omissions, whether:-
  - (a) direct or indirect;
  - (b) on its own account; or
  - (c) for or through any other person,

and shall include acts, defaults and omissions which it permits or suffers to be done or not done by any other person; and

- (xiv) in construing this Agreement, general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words.

1.3 The Schedules are part of this Agreement and shall have effect accordingly.

## **2. SALE AND PURCHASE OF THE SALE SHARES**

2.1 Subject to the terms of this Agreement, the Vendors as legal and/or beneficial owners shall sell, and the Purchaser shall purchase, the Sale Shares free from any Encumbrance and together with all rights and benefits attaching or accruing to them on or after the Completion Date. The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all of the Sale Shares is completed simultaneously.

2.2 The aggregate consideration for the sale and purchase of the Sale Shares shall be HKD 20,832,876 (which sum is equivalent to the net assets of the Company as provided in the Management Accounts) which shall be adjusted on Completion in accordance with Clause 2.3 below (the "Consideration") (the adequacy and



sufficiency of which the Parties acknowledge).

2.3 (i) The Consideration shall be adjusted in accordance with the following provisions of this Clause 2.3.

(ii) After Completion, the Vendors shall have the right to access to the books, accounts and records of the Company to the extent reasonably required for and for the sole purpose of the preparation of the Completion Accounts. The Vendors shall prepare the Completion Accounts in the manner as stipulated in sub-clauses (iii) and (iv) below after Completion and shall deliver the same to the Purchaser within 30 days from the Completion Date. All the costs and expenses of preparing the Completion Accounts shall be borne by the Vendors.

(iii) If the amount of the net asset value of the Company immediately before Completion as at the Completion Date as stated in the Completion Account, which shall be prepared by following the same basis and methods as adopted for the preparation of the audited financial statements of the Company for the year ended 31 December 2014, exceeds the net asset value of the Company as determined with reference to the Management Accounts by more than HK\$100,000, the Purchaser shall pay to the Vendors or other designated persons as the Vendors may direct such excess amount in full on a dollar-for-dollar basis in cash within 30 days from the date on which the Completion Accounts are delivered to the Purchaser pursuant to sub-clause (ii) above.

(iv) If the amount of the net asset value of the Company immediately before Completion as at the Completion Date as stated in the Completion Account, which shall be prepared by following the same basis and methods as adopted for the preparation of the audited financial statements of the Company for the year ended 31 December 2014, falls below total net asset value of the Company as determined with reference to the Management Accounts by more than HK\$100,000, the Vendors shall pay to the Purchaser or other designated persons as the Purchaser may direct the full amount of such shortfall on a dollar-for-dollar basis in cash within 30 days from the date on which the Completion Accounts are delivered to the Purchaser pursuant to sub-clause (ii) above.

(v) For the avoidance of doubt, for the purposes of sub-clauses (iii) and (iv) above, the rights and liabilities of the Vendors shall be apportioned in accordance with their respective Shares holding percentage.

2.4 Subject to the Vendors having performed their obligations under Clauses 4.2(i) and 4.2(ii), the Consideration shall be paid by Immediately Available Funds to the Vendors or any other designated person as the Vendors may direct at Completion. The Consideration shall be apportioned between the Vendors in accordance with their respective Shares holding percentage.

### **3. CONDITIONS PRECEDENT**

3.1 Completion shall be conditional upon:-

(i) the Warranties remaining true and accurate in all material respects and not misleading as given as at the date of this Agreement and as at Completion, and as if given at all times between the date of this Agreement and Completion;

(ii) no matter, event, circumstance or change having occurred which has caused,

causes or is likely to cause any material adverse effect on the business, operations, prospects or financial condition, or a material portion of the properties or assets, of the Company;

- (iii) all approvals, authorisations, consents, licences, certificates, permits, concessions, agreements or other permissions of any kind of, from or by any Governmental Authority, regulatory body or other third party necessary for the consummation of the transactions contemplated in this Agreement (if required), having been obtained by the Vendors and the Company on terms reasonably acceptable to the Purchaser and remaining in full force and effect where applicable;
- (iv) the result of the due diligence exercise carried out by the Purchaser on the assets and liabilities, business and prospects of the Company, the books, records, constitutional documents, contracts, accounting records and any other documents relating to the Company and its business being reasonably satisfactory to the Purchaser prior to the Completion Date and the Purchasers being reasonably satisfied that the Warranties are complete, true, accurate and not misleading and written notice to that effect having been delivered to the Purchaser;
- (v) there being no applicable Law which prohibits, restricts or imposes conditions or limitations on, or is reasonably expected to operate to prohibit, restrict or impose conditions or limitations on, the consummation of the transaction contemplated under this Agreement;
- (vi) there being no bona fide legal, administrative or arbitration action, suit, complaint, charge, hearing, injunction, enquiry, investigation or proceedings in effect, pending or genuinely threatened as of Completion before any court, tribunal or arbitrator of a competent jurisdiction or by any Governmental Authority which seeks to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated under this Agreement; and
- (vii) The Intercompany Loan due and owing to the Company being settled in full.

3.2 The Purchaser may, at its absolute discretion, waive any of the Conditions (except the Conditions set out in Clause 3.1(iii) and (v) which cannot be waived).

3.3 The Vendors shall use their best endeavours to procure the fulfilment of the Conditions on or before the Longstop Date (or such later date as may be agreed by the Vendors and the Purchaser in writing).

3.4 If any of the Conditions is not fulfilled (or, where applicable, waived by the Purchaser) on or before the Longstop Date (or such later date as may be agreed between the Vendors and the Purchaser in writing):-

- (i) no Party shall be obliged to proceed to Completion;
- (ii) the provisions of this Agreement, except Clauses 1, 3.4, 7, 12, 13, 14, 16, 17, 18 and 19 which shall remain in full force and effect, shall from such date cease to have any effect; and
- (iii) no Party shall have any claim against any of the other Parties, except in respect of :-

- (a) claims arising out of any antecedent breach of any of the provisions of this Agreement; and
- (b) claims arising out of the continuing provisions mentioned in Clause 3.4 (ii).

#### 4. COMPLETION

- 4.1 If all the Conditions are fulfilled (or, where applicable, waived by the Purchaser) on or before the Longstop Date (or such later date as may be agreed by the Vendors and the Purchaser in writing), Completion shall take place at 4:00p.m. on the second business day after the day on which the last of the Conditions is fulfilled (or otherwise waived) (or such other date as may be agreed by the Vendors and the Purchaser in writing) at the office of the Company at 28<sup>th</sup> Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong (or such other place as may be agreed by the Vendors and the Purchaser in writing).
- 4.2 At Completion, all (but not part only, except where and to the extent as agreed by the Vendors and the Purchaser) of the following business shall be transacted:-
- (i) the Vendors shall deliver to the Purchaser:-
    - (a) the original share certificates in the respective names of the Vendors in respect of all of the Sale Shares;
    - (b) duly executed instruments of transfer and sold notes and share certificates in respect of all of the Sale Shares in favour of the Purchaser or its nominees;
    - (c) all the statutory and other books and records (which includes, among others, the register of members, register of directors, minutes of the shareholders' meetings and board meetings, the management accounts and financial records) of the Company duly written up to date (for the avoidance of doubt, the management account shall be provided up to the last day of the month prior to Completion) and the certificate of incorporation, current business registration certificate, common seals and any other papers, records and documents of the Company including all the contracts entered into by the Company;
    - (d) a cheque drawn in favour of "The Government of the Hong Kong Special Administrative Region" for the estimated amount of stamp duty payable on the part of the Vendors for the transfer of the Sale Shares to the Purchaser;
    - (e) a certified copy of a resolution of the board of directors or sole director of SCFHL, whichever being applicable, authorising the execution and completion of this Agreement and the transactions contemplated hereunder;
    - (f) a certified copy of the board resolutions of the Company signed by all of the directors of the Company approving the following :-
      - (i) to approve and register the transfer of the Sales Shares to the

Purchaser and the issuance of new certificate(s) in relation therefor;

- (ii) to accept the resignation of the directors, secretary, auditors and other officers and to appoint such new directors, secretary auditors and officer(s) of the Company as the Purchaser may require all with effect from the Completion Date; and
  - (iii) to change the authorized signatories of the bank accounts operated by or maintained by the Company;
  - (g) such other documents as may be required to give a good title to the Sale Shares and to enable the Purchaser or its nominee to become the registered holder of the Sale Shares;
  - (h) letters of resignation from all the directors and secretary of the Company duly executed under seal a deed acknowledging that the person so resigning has no claim outstanding for compensation or otherwise; and
  - (i) such other documents as may be agreed by the Vendors and the Purchaser that are necessary or desirable for the consummation of the transactions contemplated in this Agreement; and
- (ii) the Vendors shall:-
- (a) cause such persons as the Purchaser may nominate to be validly appointed (by procuring the necessary board resolutions of the Company to be duly passed by the Completion Date approving the same) as Directors, company secretary and, if applicable, other officer(s) of the Company with effect from the Completion Date ;
  - (b) cause such Directors, company secretary and, if applicable, other officer(s) of the Company as may be required by the Purchaser to give notice to resign as Directors, company secretary and, if applicable, other officer(s) of the Company (and procure the necessary board resolutions of the Company to be duly passed by the Completion Date noting the same) with effect from the Completion Date;
  - (c) procure, with immediate effect, the revocation of all authorities to the banks of the Company, relating to bank accounts and procure the giving of authority to such persons as the Purchaser may nominate to operate the same; and
- (iii) against the Vendors' full compliance with all their obligations under Clauses 4.2(i) and 4.2(ii), the Purchaser shall: -
- (a) pay by Immediately Available Funds the Consideration to the Vendors or any other designated person as they may direct; and
  - (b) deliver to the Vendors a certified copy of a resolution of its board of directors , authorising the execution and completion of this Agreement and the transactions contemplated under this Agreement.

4.3 Without prejudice to any other remedies available to the Purchaser, if Completion does not take place on the Completion Date as a result of the Vendors failing to comply fully with any of their obligations under this Clause 4, the Purchaser may:-

- (i) defer Completion to a date not more than ten days after the Completion Date or such later date as the Purchaser and the Vendors may agree in writing (and so that the provisions of this Clause 4 shall apply to Completion as so deferred); or
- (ii) proceed to Completion so far as practicable (without prejudice to the Purchaser's rights hereunder); or
- (iii) rescind its obligations under this Agreement.

4.4 Without prejudice to any other remedies available to the Vendors, if Completion does not take place on the Completion Date as a result of the Purchaser failing to comply fully with any of its obligations under this Clause 4, the Vendors may:-

- (i) defer Completion to a date not more than ten days after the Completion Date or such later date as the Purchaser and the Vendors may agree in writing (and so that the provisions of this Clause 4 shall apply to Completion as so deferred); or
- (ii) proceed to Completion so far as practicable (without prejudice to the Vendors' rights hereunder); or
- (iii) rescind their obligations under this Agreement.

## **5. FURTHER OBLIGATIONS OF THE PARTIES**

5.1 During the period from the date of this Agreement and ending on the Completion Date, the Vendors shall procure that the Company shall not, save and except for transactions entered into in the ordinary course of business of the Company and arrangements mentioned in this Agreement, without the prior written consent of the Purchaser:-

- (i) create or permit to arise any Encumbrance on or in respect of any of its property or assets or enter into any contract, commitment or arrangement in relation thereto;
- (ii) issue or agree to issue any shares, warrants or other securities or loan capital or grant or agree to grant any option over or right to acquire or convert into any share or loan capital;
- (iii) declare, pay or make any dividends or other distributions in respect of its profits or capital;
- (iv) give any guarantee or indemnity for or otherwise secure the liabilities or obligations of any person;
- (v) sell, transfer, lease, assign or otherwise dispose of any part of its property or assets (or any interest therein) or contract to do so;
- (vi) open any new bank accounts;

- (vii) enter into any transaction, agreement, contract or commitment, or amend any existing agreements and contracts (other than those in respect of the day-to-day operation in the ordinary course of its money lending business, capital expenditure excepted) including but not limited to agreements with any of the Directors and enter into any employment agreements for any consideration or expenses;
- (viii) cease to carry on any of its existing business, or carry on any business which constitutes a material deviation from the business currently carried on by it;
- (ix) incorporate any subsidiary or acquire shares in any company or dispose of any shares in any company (if any) or acquire or dispose of any loans (if any) or loan capital (if any);
- (x) consolidate or merge with or acquire any other business;
- (xi) enter into any partnership or joint venture arrangement;
- (xii) make any loan or advance, or give any credit except for those in respect of the day-to-day operation in the ordinary course of its money lending business according to its usual business practice;
- (xiii) alter its financial year end;
- (xiv) amend the accounting policies or reporting practices previously adopted by it unless such amendment is made pursuant to a change in the relevant Accounting Standard(s), which is mandatory;
- (xv) settle or compromise any claims in relation to Tax other than the liability arising from ordinary assessment by the relevant tax authorities, if any;
- (xvi) commence or settle any litigation, arbitration or other proceedings, if any;
- (xvii) do, allow or procure any act or omission which would constitute a breach of any of the Warranties;
- (xviii) amend its memorandum or articles of association;
- (xix) incur any liability in the nature of a borrowing;
- (xx) alter the provisions of the Company's Memorandum or Articles of Association or other constitutional documents;
- (xxi) appoint any directors, secretaries or attorneys;
- (xxii) pass any resolutions in general meeting;
- (xxiii) carry out any activity that is outside the ordinary course of business of the Company; and/or
- (xxiv) carry out any activity or action which could adversely affect the Company.

5.2 During the period from the date of this Agreement and ending on the Completion Date, the Purchaser and any person authorized by it (including but not limited to any

employee of the Purchaser or any of its subsidiaries, its accountants, solicitors, surveyors and other professional advisors) will be given such access to the books and records of the Company as the Purchaser may reasonably request.

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

- 6.1 The Vendors hereby represent, warrant and undertake to the Purchaser that each of the Warranties is now and shall at Completion be true and accurate and not misleading in all material respects.
- 6.2 The Vendors acknowledge that the Purchaser has entered into this Agreement in reliance on the Warranties which they have respectively given and that the Warranties have been given as a representation to the Purchaser upon which it enters into this Agreement, notwithstanding any information regarding the Company which may otherwise have come into the possession of the Purchaser or which the Purchaser ought to have known or had constructive knowledge of.
- 6.3 The Warranties shall be deemed to be repeated as at Completion.
- 6.4 Each of the Warranties is separate and independent, and the rights and remedies of the Purchaser in respect of any breach of the Warranties shall not be affected or determined by any investigation made by the Purchaser or on its behalf or by any other event whatsoever, except with a specific and duly authorised written waiver or release by the Purchaser.
- 6.5 The Vendors shall promptly disclose to the Purchaser in writing, within two business days after becoming aware of it, any matter, event or circumstance which may arise or become known to the Vendors after the date of this Agreement and before Completion which:-
- (i) has constituted, constitutes or is likely to constitute a breach of any of the Warranties respectively given by them; or
  - (ii) has caused, causes or is likely to cause any material adverse effect on:-
    - (a) the business, operations, prospects or financial condition, or a portion of the properties or assets, of the Company; or
    - (b) the ability of the Vendors to perform or observe any of their obligations, undertakings or covenants under this Agreement.
- 6.6 Each of the Vendors shall, unconditionally, irrevocably and severally indemnify the Purchaser from and against all Losses directly or indirectly suffered or incurred by the Purchaser, or the Company as a result of or in connection with the severed liability of each of the Vendor for (i) breach of any of the Warranties respectively given by each of the Vendors, and/or (ii) failure to duly perform or observe the respective obligations, undertakings or covenants required to be performed and observed by the relevant Vendors under this Agreement; and/or (iii) legal proceedings in which the Purchaser claims that any of the Warranties respectively given by each of the Vendors is untrue, inaccurate, misleading or have been breached, and/or (iv) the enforcement of any such aforesaid claim or judgment.
- 6.7 The Vendors shall, unconditionally, irrevocably and severally indemnify the Purchaser from and against all Tax liability of the Company resulting from any income, profits or gains earned, accrued or received on or before the Completion

Date or any event on or before the Completion Date whether alone or in conjunction with other circumstances on or before the Completion Date and whether or not such Tax is chargeable against or attributable to any other person;

- 6.8 Notwithstanding any provisions herein, no claims may be brought against the Vendors in respect of a breach of any of the Warranties after the expiry of two (2) years after the Completion Date.
- 6.9 The Vendors shall not be liable for any breach of the Warranties to the extent that:
- (a) such claim arises as a result of legislation which comes into force after the date hereof with retrospective effect;
  - (b) provision or reserve in respect thereof has been made in the Audited Accounts and/or the Management Accounts and/or Completion Accounts;
  - (c) such claim would not have arisen but for a default on the part of the Purchaser of any of the terms of this Agreement; or
  - (d) such claim arises as a result of a change in accounting policies of the Company pursuant to a change in the relevant Accounting Standard(s) after Completion.

## **7. RESTRICTION ON ANNOUNCEMENT AND DISCLOSURE**

- 7.1 None of the Parties shall, without the prior written consent of the other Parties, disclose the terms of, or any matters referred to in, this Agreement except to their/its professional advisers and senior management and to those persons to whom it may be necessary to disclose such terms or matters for the purpose of or in connection with this Agreement and the subject matters thereof as required by Law or by the SFC and/or the Stock Exchange or by virtue of any other regulatory requirements.
- 7.2 Subject as provided in Clause 7.3, none of the Parties shall make any public announcement in relation to the transactions the terms of which are set out in this Agreement or the transactions or arrangements hereby contemplated or herein referred to or any matter ancillary hereto or thereto without the respective prior written consents of the other Parties (which consents shall not be unreasonably withheld or delayed).
- 7.3 This Clause 7 shall not apply to any announcement and relevant disclosure required to be made pursuant to the Listing Rules.

## **8. FURTHER ASSURANCES**

Each Party undertake(s) with the other Party that they/it shall/will execute all such documents and do all such acts and things as the other Parties or any of them may at any time and from time to time reasonably request and as may be lawful and within their/its power to do to carry into effect or to give legal effect to the provisions in this Agreement and the transactions contemplated under this Agreement.

## **9. CONTINUING EFFECT**



All provisions of this Agreement shall, insofar as they are capable of being performed or observed, continue in full force and effect notwithstanding any completion of this Agreement, save in respect of those matters then already performed.

**10. ENTIRE AGREEMENT**

This Agreement sets forth the entire agreement and understanding between the Parties in relation to the transactions contemplated by this Agreement, and supersedes and cancels in all respects all previous letters of intent, correspondence, understandings, agreements and undertakings (if any) between the Parties with respect to the subject matter of this Agreement, whether such be written or oral.

**11. VARIATIONS IN WRITING**

Any variation to this Agreement shall be binding only if it is in writing and signed by or on behalf of each Party.

**12. SEVERABILITY**

If at any time one or more of the provisions of this Agreement is or becomes invalid, illegal, unenforceable or incapable of performance in any respect, the validity, legality, enforceability or performance of the remaining provisions of this Agreement shall not thereby in any way be affected or impaired.

**13. WAIVER AND OTHER RIGHTS**

13.1 No single or partial exercise of, or failure or omission to exercise or delay in exercising any right, power, claim or remedy vested in any Party under or pursuant to this Agreement or otherwise shall affect, prejudice or constitute a waiver by such Party of such or any other right, power, claim or remedy.

13.2 Any right, power, claim or remedy expressly conferred upon any Party under this Agreement shall be in addition to and without prejudice to all other rights, powers, claims and remedies which would otherwise be available to such Party under this Agreement or at Law.

**14. NOTICES**

14.1 Any notice, demand or other communication to be given by a Party to any other Party under this Agreement shall be in writing, and shall be deemed duly served if:-

- (i) delivered personally;
- (ii) sent by prepaid registered post; or
- (iii) sent by facsimile transmission,

to the address or facsimile number (as the case may be) of such other Party previously notified in writing to the Party serving the same (and, in the case of any

subsequent change of the address or facsimile number, such notification shall be given in accordance with the provisions of this Agreement and shall state in clear terms the intention to change the address or facsimile number, as the case may be).

14.2 A notice, demand or other communication shall be deemed served:-

- (i) if delivered personally, at the time of delivery;
- (ii) if sent by post, at the expiration of two business days (for local addresses in Hong Kong) or five business days (for any other overseas address) after the envelope containing the same has been delivered into the custody of the postal authorities; and
- (iii) if sent by facsimile transmission, upon receipt by the Party giving the same of machine printed confirmation of such transmission.

14.3 In proving the service of any notice, demand or other communication, it shall be sufficient to prove that:-

- (i) in the case of personal delivery, the same has been delivered or left at the address, or the postal box of such address, of the Party to be served on;
- (ii) in the case of a mail, the envelope containing the same has been properly addressed, delivered into the custody of the postal authorities and duly stamped; and
- (iii) in the case of a facsimile transmission, the same has been duly transmitted to the facsimile number of the Party to be served on.

14.4 For the purposes of this Clause 14, the initial address and facsimile number of each Party are:-

If to the Vendors:-

Address: 28/F, Bank of China Tower, No.1 Garden Road, Central, Hong Kong

Facsimile number: 852 2524 2576

For the attention of: Mr. Thomas Chan

If to the Purchaser:-

Address: 28/F, Bank of China Tower, No.1 Garden Road, Central, Hong Kong

Facsimile number: 852 2537 0606

For the attention of : Ms. Eva Law

## 15. TIME

Time shall be of the essence of this Agreement, both as regards the dates and periods specifically mentioned in this Agreement and as to any date and period

which may by written agreement between or on behalf of the Parties be substituted for them.

**16. ASSIGNMENT**

This Agreement shall be binding on and shall endure for the benefit of the successors and assignees of the Parties. None of the Parties may assign any of their/its rights or obligations under this Agreement without the prior consent of the other Parties in writing.

**17. COST AND EXPENSES**

17.1 Each party shall bear all their/its own legal and professional fees, costs and expenses of and incidental to the negotiation, preparation, execution and completion of this Agreement.

17.2 The Vendors and the Purchaser undertake(s) to each other that they/it shall pay one half of the stamp duty in respect of the sale and purchase of the Sale Shares sold and purchased by them/it pursuant to this Agreement as assessed by the relevant authority in Hong Kong.

**18. COUNTERPARTS**

This Agreement may be executed in any number of counterparts and by any Party on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts together shall constitute one and the same instrument.

**19. GOVERNING LAW AND JURISDICTION**

19.1 This Agreement shall be governed by and construed in all respects in accordance with the laws of Hong Kong.

19.2 The Parties submit to the non-exclusive jurisdiction of the courts of Hong Kong.

**IN WITNESS** whereof the Parties have executed this Agreement the day and year first above written.

## SCHEDULE 1

### Details of the Vendors

Vendors	No. of Sale Shares sold (approximate percentage of the Sale Shares to the total issued share capital of the Company)		Total no. of Sale Shares owned
	Legally and beneficially owned	Beneficially owned	
South China Financial Holdings Limited	39,999,999 (94.96%)	*1,625,001 (3.85%)	41,625,000 (98.81%)
Ng Yuk Fung, Peter	Nil	*250,000 (0.595%)	*250,000 (0.595%)
Ng Yuk Yeung, Paul	Nil	*250,000 (0.595%)	*250,000 (0.595%)
<b>Total</b>	<b>42,125,000 (100%)</b>		

\* These Sale Shares are held in the name of South China Finance (Nominees) Limited as nominee.

## Schedule 2

### Particulars of the Company

Name	:	South China Financial Credits Limited
Place of incorporation	:	Hong Kong
Date of incorporation	:	18 January 1999
Company no.	:	665212
Director(s)	:	Cheung Choi Ngor Richard Howard Gorges
Issued share capital	:	HK\$42,125,000

## SCHEDULE 3

### The Warranties

#### 1. The Sale Shares and Capacity of the Vendors

- (A) The Vendors are the legal and/or beneficial owners of the number of Sale Shares set opposite their respective names in Schedule 1. South China Finance (Nominees) Limited is holding those number of Sale Shares marked with an asterick ( " \* " ) as nominee in Schedule 1. South China Finance (Nominees) Limited has respectively undertaken to each of the Vendors that it shall transfer the relevant Sale Shares which it holds as nominee to the relevant Vendor or to such other person(s) as the relevant Vendor may direct when called upon to do so by the relevant Vendor. The Sale Shares are free and clear of any Encumbrance or claims whatsoever and, the same are fully transferable by the Vendors without the consent or approval of any third party. The Company has not exercised any lien over any of the Sale Shares and there is no outstanding call or other form of security on, over or affecting any of the Sale Shares 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 which has not been waived in its entirety or satisfied in full.
- (B) The Sale Shares represent the entire issued shares in the capital of the Company. All of the Sale Shares are fully paid.
- (C) SCFHL is a company duly incorporated, validly existing and in good standing under the Laws of the jurisdiction of its incorporation with full power and authority to own its assets and to carry on its business as it is now being conducted.
- (D) The Vendors have all necessary authority and power to enter into and perform this Agreement and to carry out their obligations pursuant to this Agreement.
- (E) The execution of this Agreement and all other ancillary documents on behalf of SCFHL has been validly authorised and the obligations expressed as being assumed by it under each such agreement constitutes its valid, legal and binding obligations enforceable against it in accordance with their terms.
- (F) Neither the execution nor delivery by the Vendors of this Agreement or any ancillary document nor the performance or observance of any of their obligations thereunder, does or shall conflict with, or result in any breach or violation of, any judgment, order or decree, trust deed, mortgage, agreement or other instrument or arrangement or Law by which the Vendors are bound or which would have an adverse effect on the Company.
- (G) No third-party consent or approval is required for the Vendors to enter into and perform their obligations under this Agreement.
- (H) The Vendors are not in receivership, liquidation, bankruptcy or analogous process and have not taken any steps to enter into liquidation and no petition has been presented for its/his winding-up/bankruptcy and to the best of their knowledge, information and belief, there are no grounds on which a petition or application could be based for its/his winding up/bankruptcy or appointment of a receiver of its/his assets.

#### 2. General Information of the Company

- (A) The information set out in Schedule 2 is true, accurate and complete.

- (B) The information set out in the Recitals (A), (B), (C), (D) and (E) to this Agreement is complete and accurate.

### **3. Share Capital**

- (A) All the issued shares of the Company were allotted and issued fully paid in accordance with the relevant constitutional documents of the Company and in compliance with all relevant Laws and rank pari passu in all respects inter se.
- (B) All the issued shares of the Company are free from any Encumbrances of whatsoever nature and together with all rights and entitlements attaching thereto.
- (C) The Company has no subsidiaries or interests (shares or debentures, and in whatsoever form) in other company, partnership, firm or other entity.
- (D) There is no Encumbrance on, over or affecting any part of the unissued share capital (if any) or loan capital (if any) 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 which has not been waived in its entirety or satisfied in full.
- (E) Other than this Agreement, there is no agreement or commitment outstanding which calls for the transfer, allotment or issue of or accords to any person the right to call for the transfer, allotment or issue of any shares, securities or debentures in the Company (including any option or right of pre-emption or conversion).

### **4. Compliance with Legal Requirements**

- (A) The Company is duly incorporated, validly existing and in good standing under the Laws of the relevant jurisdiction. It has all requisite legal and corporate power and authority to carry on its business and own its assets, is duly qualified to transact its business as now conducted and has duly complied with all applicable Laws.
- (B) The Company has duly and properly complied with all filing and registration requirements in respect of corporate or other documents imposed under the relevant Laws of the jurisdiction in which it was incorporated.
- (C) The statutory books and minute books of the Company have been properly written up and compliance has been made with all legal requirements concerning the Company and all issues of shares, debentures or other securities thereof.
- (D) The register of members/shareholders, register of directors and register of secretaries of the Company are correct and the Company has not received any application or request for rectification of its register of members/shareholders and there are no circumstances which might lead to any such application or request for rectification of such register to be made have arisen or occurred.
- (E) The constitutional documents and certificates of the Company are valid, in compliance with the relevant Laws and have been duly approved or issued (where applicable) by the competent Governmental Authorities.
- (F) The Company and any of its directors, officers or employees (in their capacity as such) have at all times complied with all relevant Laws in relation to the business carried on by the Company. There have been no breaches of any applicable Laws

and the constitutional documents of the Company.

- (G) None of the Company and its directors, officers or employees (in their capacity as such) has committed nor is liable for any criminal, illegal, unlawful or unauthorised act or breach of any obligation which relates to the Company or its business, whether imposed by or pursuant to any Law, contract or otherwise.

#### **5. Corporate Matters and Corporate Records**

- (A) The minutes books of directors' meetings and of shareholders' meetings respectively contain full and accurate records of all resolutions passed by the directors and the shareholders respectively of the Company and no resolutions have been passed by either the directors or the shareholders of the Company which are not recorded in the relevant minute books.
- (B) All charges on the assets of the Company have (if appropriate) been registered in accordance with the provisions of the applicable legislation and regulations and at the relevant registries or authorities.
- (C) All documents necessary to prove their respective titles and other material assets of the Company, and an executed copy of all agreements which are subsisting and to which the Company is a party, and the original copies of all other documents which are owned by, or which ought to be in the possession of, the Company is in its possession, custody or control.

#### **6. Accounts**

(A) The Audited Accounts :

- (i) were prepared in accordance with applicable Laws (including the disclosure requirements under the Companies Ordinance) and with generally accepted accounting principles, standards and practices in Hong Kong (including ,among others, all applicable Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants) (the "Accounting Standards") at the time they were prepared and on a consistent basis with the audited financial statements of the Company;
- (ii) are complete and accurate in all material respects;
- (iii) give a true and fair view of the state of affairs and financial and trading positions of the Company at the Accounts Date and of the Company's results for the financial period ended on that date were not adversely affected by any unusual, exceptional, extraordinary or non-recurring items which are not disclosed therein;
- (iv) fully disclose and make full provision in accordance with good accounting practice in Hong Kong for all bad and doubtful debts, un-collectable receivables, employee severance or employee entitlements or employee compensation, litigation claims and all liabilities and financial commitments of the Company outstanding at the Accounts Date, including contingent, unquantified or disputed liabilities, in all material respects;

(B) The Management Accounts:



The Management Accounts have been prepared on the same bases and principles as the Audited Accounts and fairly reflect the state of affairs of the Company as at the Management Accounts Date and of the results and financial position of the Company for the financial period ended on the Management Accounts Date.

(C) The Completion Accounts:

The Completion Accounts have been prepared / will be prepared on the same bases and principles as the Audited Accounts and Management Accounts and fairly reflect the state of affairs of the Company as at the Completion Accounts Date and of the results and financial position of the Company for the financial period ended on the Completion Accounts Date.

(D) The accounting and other books and records of the Company are in its possession, have been properly written up and accurately present and reflect in accordance with generally accepted accounting principles and standards all the transactions to which the Company has been a party, and that at the date hereof they give and reflect a true and fair view of the financial, trading and contractual position of the Company and of its fixed and current and contingent assets and liabilities and debtors and creditors.

(E) There are no material liabilities (including without limitation contingent liabilities) which are outstanding on the part of the Company other than those liabilities disclosed or provided for in the Audited Accounts and/or the Management Accounts and/or Completion Accounts and incurred in the ordinary and normal course of business since the Accounts Date.

(F) The Vendors are not aware of any material liabilities (including without limitation contingent liabilities) which have not been reflected in the Audited Accounts and/or the Management Accounts and/or Completion Accounts.

**7. Financial Matters**

(A) The Company does not have any material capital commitment or is engaged in any scheme or project requiring capital expenditure in significant amount on an individual or aggregate basis.

(B) All dividends or distributions declared, made or paid by the Company have been declared, made or paid in accordance with its constitutional documents and the applicable statutory provisions.

(C) The amounts borrowed by Company (if any) does not exceed any limitation on its borrowings contained in its constitutional documents or in any debenture or other deed or document binding upon it.

(D) Save and except the Intercompany Loan, there are no loans made by or outstanding from the Company to the Vendors or any director or officer of the Company or any person connected with the Vendors or SCFHL's respective directors or officers.

(E) The Company has not factored any of its debts, nor engaged in any financing of a type which would not be required to be shown or reflected in the Audited Accounts and/or Management Accounts and/or Completion Accounts.

(F) As at the Management Account Date, SCFHL's subsidiary is indebted to the Company in the total amount of HK\$17,315,311.00. The Company has not since the Management Account Date made any loan to any of the Vendors or SCFHL's

subsidiaries or any further loan to the SCFHL's subsidiary mentioned in the above, and shall not from the date of this Agreement until Completion make any loan or further loan to any of the Vendors or SCFHL's subsidiaries.

**8. Taxation**

- (A) The Company has within the requisite time limits duly made all returns, given all notices, and supplied all other information required to be supplied to any competent fiscal authority in Hong Kong or any part of the world where filing is required and all such information, returns and notices were when given or supplied, and are now, accurate and made on a proper basis and are not likely to be the subject of any dispute with any of the relevant authorities concerned.
- (B) The Company is not subject to any dispute with the Inland Revenue Department of Hong Kong or any other fiscal authority anywhere in the world and to the best knowledge of the Vendors, there is no fact or matter which might result in any such dispute for Taxation with material adverse effect on the business, operation, financial position and/or results of the Company.
- (C) No imposed tax liabilities of the Company is outstanding

**9. Business**

- (A) 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.
- (B) There shall be no restriction on the right of the Company to carry on its business which does not now apply to the Company.

**10. Licences and Consents**

- (A) Schedule 4 sets out true, accurate, complete and not misleading information of all Licences held by the Company.
- (B) Each of the Licences is valid and in force, the Company is not in breach of any of the terms of the Licences (including breach of any requirement relating to such consent to make returns or reports or supply information) and save and except for the matter set out in sub-paragraph (D) below there are no circumstances or reasons (including the sale of the Sale Shares) which might invalidate any such consent or render it liable to forfeiture, suspension, cancellation, refusal, revocation, modification, (in the case of a renewable Licence) non-renewal on the same terms or affect its renewal in any way.
- (C) Save and except for the matter set out in sub-paragraph (D) below, there is no investigation, enquiry or proceeding of any kind outstanding or anticipated which is likely to result in the suspension, cancellation, modification or revocation of any of the Licences.

**11. Equipment and Assets**

- (A) The Company owned at the Accounts Date, Management Accounts Date and Completion Date, and had good and marketable title to, and (except for current assets subsequently sold or realised in the ordinary course of business) still owns and has good and marketable title to, all the assets included in the Audited Accounts and/or Management Accounts and/or Completion Accounts of the Company as at

the Accounts Date and/or the Management Accounts Date and/or Completion Accounts Date respectively and to all assets acquired since the Accounts Date and/or the Management Accounts Date and/or Completion Accounts Date and not subsequently sold or realised as aforesaid.

- (B) All title deeds and other title documents relating to the assets of the Company, and an executed copy of all agreements to which the Company is a party, and the Company has unrestricted access and custody of the same, except where the assets in respect thereof are subject to mortgage or other encumbrances.
- (C) All records or other documents recording or evidencing any contract, licence, consent or other right of the Company or required for the exercise of any such right are in the possession or under the exclusive control of the Company.

## 12. Insurance

- (A) The Company has effected all insurances required by Law to be effected by it.

## 13. Material Transactions and Events Since the Accounts Date

- (A) Since the Accounts Date and, where applicable, save as clearly and fairly disclosed in the Management Accounts:
  - (i) the Company has not created, or granted, or agreed to create or grant, any security interest or other Encumbrances (whether secured or unsecured) on the whole or any part of its assets included in the Audited Accounts or assets acquired or agreed to be acquired since the Accounts Date, or any lease of property including equipment;
  - (ii) save for the money lent or borrowed according to its usual business practice in the ordinary course of money lending business, the Company has not borrowed or lent any money which has not been repaid or increased any liability (whether or not secured) or incurred, assumed or entered into or agreed to incur, assume or enter into any capital commitment or liability (actual or contingent), transaction or contract (including but not limited to any sale or purchase of assets) or other commitments binding on it and there has not been any acquisition or disposal by the Company of any fixed or capital assets or any agreement to effect the same;
  - (iii) the Company has not issued or repaid or agreed to issue or repay any share or loan capital;
  - (iv) the Company has not declared, made or paid any dividends or made any other distribution out of profits, reserves or capital;
  - (v) the Company has not been engaged in any business activities outside its ordinary courses of business or the relevant part of its business;
  - (vi) the Company has not issued any guarantee or indemnity or granted any security on behalf of any person or company;
  - (vii) there has not been any damage, destruction, or loss, whether covered by insurance or not, materially adversely affecting the business of the Company;
  - (viii) there has not been any sale or transfer by the Company of any material tangible or intangible assets;

- (ix) there has not been any part of the business of the Company having been affected by any abnormal factor other than general market and/or economic conditions and any other factor that affects the relevant industries and/or markets as a whole in any material respect;
- (x) save as unforeseen changes in the general market and/or economic conditions and any other factor that affects the relevant industries and/or markets as a whole, there has been no material and adverse change in the financial or trading position or prospects of the Company, nor is any such change expected;
- (xi) there has been no material reduction in the value of the assets of the Company as specified in the Audited Accounts of the Company (current assets subsequently sold or realised in the ordinary course of business excepted);
- (xii) no material changes have been made in the terms of employment, benefits or conditions of service of any employee or to benefits provided to any person engaged by the Company (now or in the past) during the period from the Management Accounts Date to Completion Date and no remuneration (including bonuses) or benefit payable to any officer or employee of the Company has been increased nor has the Company undertaken any obligation to increase any such remuneration at any future date with or without retrospective effect;
- (xiii) the Company has not done or omitted to do anything which will or might prejudicially affect the goodwill of its business;
- (xiv) no unusual or long term commitments or contracts of an onerous nature have been entered into in connection with the Company's business;
- (xv) other than in the ordinary and usual course of business, the Company has not acquired or disposed of, or agreed to acquire or dispose of, any asset, or assumed or incurred, or agreed to assume or incur, any capital commitment or liability (actual or contingent);
- (xvi) no debtor of the Company has been released by it on terms that it pays less than the book value of any debt and no debt has been written off or has proved to be irrecoverable to any extent, and there has been no change in the manner or time of the issue of invoices or the collection of debts;
- (xvii) no event has occurred which would entitle any third party (with or without the giving of notice) to call for the repayment of indebtedness by the Company prior to its normal maturity date;
- (xviii) no alteration has been made to the Memorandum and Articles of Association of the Company; and
- (xix) there has not been any agreement to do any of the foregoing.

**14. Employment Matters**

- (A) All contracts of service or employment or contracts for the provision of such services to which the Company is a party can be terminated by it at any time by not more

than three months' notice without payment of compensation or any claim for damages (other than compensation required to be paid in accordance with the Employment Ordinance, Chapter 57 of the Laws of Hong Kong or the relevant Laws and Mandatory Provident Fund Scheme).

- (B) The Company has not since the Accounts Date:
- (i) changed, or agreed to change, the material terms of its employment (including terms relating to pension benefits) of any person who are responsible for the management of the Company;
  - (ii) paid or given, or agreed to pay or give, to any of its officers or employees any remuneration or benefit, except the salary or wage to which he is contractually entitled under the terms of his employment;
  - (iii) changed or agreed to change the rate of the pending payable by the Company to any person; or
  - (iv) been notified of any wage claim or agreed any general increase in wages or wage rates of a material extent.
- (C) The Company has not breached any legal and regulatory requirements in relation to employment (including but not limited to employee benefits, compensation and insurance) of its staff in any material respect, and is not the subject of any dispute in relation to employment matters (including any pending or threatened dispute) of material nature.
- (D) Save for the Mandatory Provident Fund Scheme, the Company is not under any legal or moral liability or obligation or a party to any agreement, arrangement, scheme, fund, ex-gratia arrangement or promise to pay pensions, gratuities, retirement annuities, benefits, periodical sums, or any other payment or compensation (whether or not legally enforceable) in connection with retirement, death or disability or the like to or for any of its past or present officers or employees or their relatives or dependants; and there are no retirement benefit, or pension or death benefit, or similar schemes or arrangements in relation to or binding on the Company or to which the Company contributes or has contributed or proposes to contribute.
- (E) 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, if any, have been obtained and remain in full force and effect.
- (F) The Company has complied with all relevant Laws in relation to its employees, directors, managers and contractors, including without limitation, codes of conduct and practice and contracts to which it is a party and Laws pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits and pensions where applicable.

**15. Loans**

- (A) There are no loans made to the Company which are outstanding except as shown in the Audited Accounts and/or the Management Accounts (refinancing of the outstanding loan(s) shown in the Audited Accounts and/or the Management Accounts, in full or in part, excepted).

- (B) Subject to sub-paragraph (A) above, the Company has no outstanding mortgages, charges, debentures or other loan capital or bank overdrafts, loans or other similar indebtedness, financial facilities, finance leases or hire purchase commitments or any guarantees or other contingent liabilities except as shown in the Audited Accounts and/or the Management Accounts.

**16. Disputes and Litigation**

- (A) The Company is not a party to any litigation, arbitration, prosecutions, hearing, any material disputes, investigations or to any other legal or contractual proceedings before any court, tribunal, panel, statutory, regulatory or governmental body and to the best knowledge of the Vendors, no proceedings are threatened or pending either by or against the Company, and there are no unfulfilled or unsatisfied judgment or court orders against the Company. There is no fact or circumstance likely to give rise to any litigation or arbitration, administrative or criminal or other proceedings or to any proceedings against any director, officer or employee of the Company in respect of any act or default for which the Company might be vicariously liable.
- (B) The Company has not given any undertakings arising from legal proceedings to a court, governmental agency or regulator or third party.

**17. Contracts and Commitments**

- (A) The Company has not received any formal or informal notice to repay under any agreement relating to any borrowing (or indebtedness in the nature of borrowing) which is repayable on demand.
- (B) The Company is not under any obligation, or party to any contract, which cannot readily be fulfilled or performed by it on time and without undue or unusual expenditure of money or effort.
- (C) No party to any agreement or arrangement with or under an obligation to the Company is in default under it and there are no circumstances likely to give rise to such a default.
- (D) The Company is not:
  - (i) in breach or in default under any agreement or obligation to which it is party or in respect of any obligations or restrictions binding upon it; and
  - (ii) liable in respect of any representation or warranty (whether express or implied).
- (E) There are no outstanding contracts, engagements or liabilities, whether quantified or disputed, save for (i) those shown in the Audited Accounts and/or the Management Accounts or (ii) those entered into in the ordinary course of the Company's day-to-day operations according to its usual business practice.
- (F) There are no:
  - (i) contractual arrangements between the Company and any party which shall or may be legally terminated as a result of the execution or completion of this Agreement;
  - (ii) powers of attorney or other authorities (express or implied) which are still outstanding or effective to or in favour of any person to enter into any

contract or commitment or to do anything on its behalf;

- (iii) contracts which are unusual or which may involve or involving obligations on the Company of a nature or magnitude calling for special mention or which cannot be fulfilled or performed on time or which can only be fulfilled or performed with unusual expenditure of money or with usual effort;
  - (iv) contracts or arrangements between the Company and the parties hereto or their associates other than contracts in the ordinary course of business;
  - (v) agreements (whether by way of guarantee, indemnity, warranty, representation or otherwise) under which the Company is under any actual or contingent liability in respect of the obligations of any person other than the Company;
  - (vi) contracts to which the Company is a party which is of a long-term (i.e. more than one year) and non-trading nature or contains any unusual or unduly onerous provision;
  - (vii) management agreements, joint venture agreements, agency agreements or any form of agreements whatsoever which entitle any person to bind the Company contractually, to settle, negotiate or compromise any accounts or claims or to collect, receive or share in any balances or sums payable to the Company;
  - (viii) contracts to which the Company is a party and which:-
    - (a) is dependent on the guarantee, covenant of or security provided by any other person; or
    - (b) is a contract for the sale of shares or assets which contains warranties or indemnities under which the Company still has a remaining liability or obligation;
  - (ix) offers, tenders or quotations made or given by the Company capable by the unilateral act of any other person of giving rise to any contract;
  - (x) contracts or arrangements to which the Company is a party for the sharing of profits with any other person or for the payment to any other person of any sum dependent on the profits of the Company; or
  - (xi) contracts or arrangements to which the Company is a party and in which any of the Vendors or any director of the Company has a direct or indirect interest save for the contracts or arrangement disclosed with income or expense recognised in the Audited Accounts and/or Management Accounts and the contracts or arrangement in the same nature entered into in the current year on or before the date hereof; and the Company has not been a party to any such contract or arrangement within the 6 months before the date of this Agreement.
- (G) No charges, rights of security or third party rights of any kind whatsoever have been created or agreed to be created or permitted to arise over any of the Company's assets or business.
- (H) The Company is not under any legal and binding obligation, nor is it a party to any contract, which cannot be fulfilled or performed by it on time and without undue or

unusual expenditure of money or effort that would have a material adverse effect on its business.

**18. Intellectual Property Rights**

- (A) All the Intellectual Property Rights used or required for the purposes of the business of the Company which are material in the context of the Company's business and all of the same are valid, in full force and effect.

**19. Insolvency**

- (A) No order has been made or petition presented or resolution passed for the winding up of the Company or the receivership of the assets of the Company, nor has any distress, execution or other process been levied against the Company. To the best knowledge of the Vendors, there are no circumstances which may cause any of the above to happen or arise.
- (B) There are no circumstances which would entitle any person to present a petition for the winding up or administration of the Company or to appoint a receiver of the whole or any part of its undertaking or assets.
- (C) The Company is not insolvent and it is able to pay its debts as they fall due.

**20. Accuracy and Adequacy of Information Provided**

- (A) All information contained in this Agreement (including the Recitals) is true, accurate and complete in all material respects and not misleading in any material respect.
- (B) All information given to the Purchaser and its professional advisers by the Vendors and the officers and employees of any of the Vendors, the officers and employees of the Company, the advisers of any of the Vendors and the advisers of the Company prior to the date of this Agreement was when given and is at the date hereof true and accurate in all material respects and fairly presented and there is no fact or matter which has not been disclosed in writing which renders any such information untrue or misleading and there is no fact or matter concerning the Company and its business and affairs which has not on the basis of the utmost good faith been disclosed in writing which would reasonably be expected to influence the decision of the Purchaser to proceed with the purchase of the Sale Shares on the terms of this Agreement.
- (C) There are no material facts or circumstances, in relation to the business carried on by the Company and/or the Company which have not been disclosed or made available to the Purchaser, and which, if disclosed or made available, might be expected to affect the decision of a prudent purchaser to enter into this Agreement.



**SCHEDULE 4**

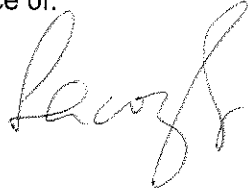
**Licences**

<b>Owner</b>	<b>Licence Type</b>	<b>Licence Number</b>	<b>Duration of Validity</b>
South China Financial Credits Limited	Money Lenders Licence	No. 0667/2015	12 months from 20 <sup>th</sup> May 2015

EXECUTION PAGE

The Vendors

SIGNED by RICHARD HOWARD GORGES )  
on behalf of )  
South China Financial Holdings Limited )  
in the presence of: )



For and on behalf of  
SOUTH CHINA FINANCIAL HOLDINGS LIMITED  
南華金融控股有限公司  
.....  
Authorized Signature(s)

SIGNED by Ng Yuk Fung, Peter )  
in the presence of: )



SIGNED by Ng Yuk Yeung, Paul )  
in the presence of: )



The Purchaser

SIGNED by RICHARD HOWARD GORGES )  
on behalf of )  
Prosperous Global Holdings Limited )  
in the presence of: )



For and on behalf of  
PROSPEROUS GLOBAL HOLDINGS LIMITED  
.....  
Authorized Signature(s)