

Dated the 1<sup>st</sup> day of February, 2019

**SOUTH CHINA FINANCIAL HOLDINGS LIMITED**  
as vendor

and

**SOUTH CHINA INDUSTRIES (BVI) LIMITED**  
as purchaser

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**AGREEMENT**  
for the disposal of 100% issued share capital of  
**YEAR BLOSSOM LIMITED**

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**THIS AGREEMENT** is made the 1<sup>st</sup> day of February, 2019.

**BETWEEN:**

- (1) **SOUTH CHINA FINANCIAL HOLDINGS LIMITED** (company no.: 215015), a company incorporated in Hong Kong whose registered address is at 28<sup>th</sup> Floor, Bank of China Tower, No. 1 Garden Road, Central, Hong Kong (the “**Vendor**”); and
- (2) **SOUTH CHINA INDUSTRIES (BVI) LIMITED** (company no.: 1964752), a company incorporated in the British Virgin Islands whose correspondence address is at 28<sup>th</sup> Floor, Bank of China Tower, No. 1 Garden Road, Central, Hong Kong (the “**Purchaser**”);

**WHEREAS:**

- (A) The Target Company was incorporated in the British Virgin Islands on 27 December 2017, and it is an investment holding vehicle which through its subsidiaries, is engaged principally in food and beverage business. As at the date of this Agreement, the Target Company is authorized to issue a maximum of 50,000 shares of a single class each with a par value of US\$1.00, of which 1 share has been issued and is fully paid up, and the Vendor is the legal and beneficial owner of the Sale Share representing 100% issued share capital of the Target Company. Further information and particulars concerning the Target Company and each of the Company Subsidiaries (after completion of the Internal Restructuring) are set out in Schedule hereto.
- (B) The Vendor, a company incorporated in Hong Kong and the ordinary shares of which are listed and traded on the main board of the Stock Exchange (stock code: 619), agrees to dispose the Sale Share, and the Purchaser, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of South China Holdings Company Limited, agrees to purchase the Sale Share at the Consideration which will be satisfied by cash or in any other manner to be mutually agreed by the parties hereto subject to and in accordance with the terms and conditions of this Agreement.

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

**1. INTERPRETATION**

**1.1 Definitions**

In this Agreement (including the Schedule and the Recitals), unless the context otherwise requires:

“**Agreement**” means this agreement;

“**Business Day**” means a day (other than Saturday and days on which a tropical cyclone warning 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.) on which banks are open in Hong Kong for general banking business;

- “Completion”** means completion of the sale and purchase of the Sale Share in accordance with Clause 5;
- “Completion Date”** means the third Business Day after the conditions set out in Clause 4.1 are fulfilled or waived (or such other date as the Vendor and the Purchaser may agree in writing prior to Completion);
- “Companies Act”** means the BVI Business Companies Act, 2004, of the laws of the British Virgin Islands;
- “Companies Ordinance”** means the Companies Ordinance, Chapter 622 of the laws of Hong Kong;
- “Company Subsidiaries”** means the subsidiaries, associated companies and branches for business operation of the Target Company;
- “Consideration”** means the consideration for the sale and purchase of the Sale Share as specified in Clause 3.1;
- “Encumbrance”** means and includes any option, right to acquire, right of pre-emption, right of first refusal, mortgage, charge, pledge, lien, hypothecation, title retention, right of set off, third party’s claim, counterclaim, trust arrangement, adverse interests, third-party right or interest, or other security or any equity or restriction (including any restriction imposed under the Companies Ordinance or the Companies Act) or any other agreement or arrangement the effect of which is the creation of a security interest;
- “Hong Kong”** means the Hong Kong Special Administrative Region of the PRC;
- “Internal Restructuring”** means change of direct ownership of the entire equity interest in 南京華鑫餐飲管理有限公司 from 南京華鑫投資管理有限公司 (a company incorporated in the PRC and an indirect wholly-owned subsidiary of Vendor) to South China F & B Management Company Limited (a company incorporated in Hong Kong

and a direct wholly-owned subsidiary of the Target Company), subject to the approval of the relevant governing authorities in the PRC;

- “Listing Rules”** means the Rules Governing the Listing of Securities on the Stock Exchange;
- “PRC”** means the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region and Taiwan for the purpose of this Agreement;
- “Sale Share”** means 1 share of US\$1.00 each in the capital of the Target Company, which will represent 100% issued share capital of the Target Company, to be bought and sold pursuant to Clause 2;
- “Stock Exchange”** means The Stock Exchange of Hong Kong Limited;
- “Target Group”** means the Target Company and the Company Subsidiaries after completion of the Internal Restructuring;
- “Target Company”** means Year Blossom Limited, a direct wholly owned subsidiary of the Vendor (details of which are listed out in Part I of the Schedule hereto); and
- “US\$”** means United States dollars.

## 1.2 Construction of certain references

In this Agreement where the context admits:

- (a) references to Clauses, Schedule and Recitals are references to clauses hereof, schedules and recitals hereto, and references to this Agreement include the Schedule;
- (b) references in this Agreement to persons include references to bodies corporate; references to any gender include references to all genders; references to the singular include references to the plural and vice versa;
- (c) references to this Agreement shall be construed as references to this Agreement as it may be amended or supplemented from time to time; and
- (d) references in this Agreement to statutory provision shall be construed as references to those provisions as respectively replaced, amended or re-enacted (whether before or after the date hereof) from time to time and shall include

any provisions of which they are re-enactments (whether with or without modification) and any subordinate legislations or regulations made under such provisions.

1.3 Headings

The headings and sub-headings are inserted for convenience only and shall not affect the construction of this Agreement.

2. SALE AND PURCHASE OF SALE SHARE

Subject to the terms and conditions of this Agreement, the Vendor shall sell, and the Purchaser shall purchase, the Sale Share free from all Encumbrances and third party rights of any kind and together with all rights now or hereafter attaching thereto including the right to receive all dividends and distributions declared, made or paid on or after the date hereof.

3. CONSIDERATION

3.1 The Consideration shall be a sum of US\$1.00.

3.2 The Consideration shall be settled in full by the Purchaser or any other party to be procured by the Purchaser upon Completion (or any other later date to be mutually agreed by the parties hereto) by cash or in any other manner to be mutually agreed by the parties hereto.

4. CONDITIONS

4.1 Completion is conditional upon:

- (a) the Purchaser being satisfied with the results of a legal and financial due diligence review to be conducted by it on the Target Group;
- (b) the Purchaser being satisfied with completion of the Internal Restructuring; and
- (c) if required, the passing by members of the Vendor in general meeting of the necessary resolutions approving the entering into this Agreement, the transactions contemplated under or incidental to this Agreement and the implementation thereof in accordance with the provisions of the Listing Rules and any other relevant laws and regulations.

4.2 The parties hereto shall use their respective best endeavours to procure that the conditions set out in Clause 4.1 shall be fulfilled by 5:00 p.m. (Hong Kong time) on the date referred to in Clause 4.3.

4.3 Save as otherwise stated, if the conditions set out in Clause 4.1 shall not have been fulfilled or waived by 5:00 p.m. (Hong Kong time) on the date falling ninety (90) days after the date of this Agreement or such later date as the parties hereto may agree

in writing, this Agreement shall lapse and be of no further effect and no party to this Agreement shall have any claim against or liability to the other parties, save in respect of any antecedent breaches of the terms hereof including any breaches of this Clause 4.

- 4.4 For the sake of clarity and determining the Completion Date, the Purchaser shall notify the Vendor in writing upon its satisfaction of the events stated in Clauses 4.1(a) and (b) hereinabove.

## 5. COMPLETION

### 5.1 Completion Venue and Time

Subject to this Clause 5, Completion shall take place at the offices of the Vendor at 10:00 a.m. on the Completion Date (or at such other place, on such other time and/or day as the parties may agree in writing).

### 5.2 Vendor's obligations

On Completion, the Vendor shall:

- (a) deliver or cause to be delivered to the Purchaser:
- (i) duly executed instrument of transfer of the Sale Share in favour of the Purchaser or such other companies or persons as it shall nominate together with the relevant share certificate;
  - (ii) such other documents as may be reasonably required to give good title to the Sale Share free from all Encumbrances and third party rights of any kind and to enable the Purchaser (or other person as it may nominate) to become the registered holder thereof;
  - (iii) powers of attorney, if necessary, having the terms approved by the Purchaser, under which any of the documents referred to in this Clause 5.2(a) is executed; and
- (b) cause such persons as the Purchaser may nominate to be validly appointed as directors of the Target Company and each of the Company Subsidiaries with effect from the Completion Date (or such other date to be mutually agreed by the parties hereto) and, if required by the Purchaser, cause any current directors of the Target Company and/or each of the Company Subsidiaries, to retire from their respective offices, delivering to the Purchaser a letter under seal from each of the retiring directors acknowledging that he has no claim outstanding for compensation or otherwise against the Target Company and/or the relevant Company Subsidiaries.

### 5.3 Failure to complete

Without prejudice to any other remedies available to any of the parties, if in any respect the obligations of the Vendor set out in this Clause 5 are not complied with on or before the Completion Date, the Purchaser may:

- (a) defer Completion to a date not more than 28 days after the Completion Date (and so that the provisions of this Clause 5.3(a) shall apply to Completion as so deferred); or
- (b) proceed to Completion so far as practicable (without prejudice to its rights hereunder); or
- (c) rescind this Agreement without prejudice to any of its other rights in respect of such default.

## **6. REPRESENTATIONS AND WARRANTIES**

### **6.1 Vendor's Warranties**

The Vendor hereby acknowledges that the Purchaser enters into this Agreement is relying on representations, warranties and undertakings made by the Vendor. The Vendor further represents and warrants to the Purchaser that the following warranties are and will be true and accurate in all material respects on the execution of this Agreement and on Completion:

- (a) the Vendor is the beneficial owner of the Sale Share and has consented to transfer the Sale Share to the Purchaser or its nominee free from any Encumbrance;
- (b) the Sale Share has been fully paid up and constituted 100% of the total issued share capital of the Target Company;
- (c) the Sale Share may be sold, assigned and transferred by the Vendor to the Purchaser or its nominee without the consent or approval of any third party;
- (d) the Target Company is a duly established limited liability company validly existing under the laws of the place of its incorporation and has the corporate powers and authority to carry on the business presently carried on by it. To the best knowledge of the Vendor, the Target Company is not in breach of the provisions of all applicable laws, regulations (and all orders notices and directions made thereunder) and all applicable codes or practices. All returns, particulars, resolutions and other documents required to be filed with or delivered to the registrar of companies or to any other authority whatsoever by the Target Company have been correctly and properly prepared and so filed or delivered on or before the relevant due dates; and
- (e) the Vendor is duly incorporated and validly existing in good standing under the laws of the place of its incorporation and has full power and authority to enter into and perform this Agreement and the documents referred to in it. In

entering into this Agreement, the Vendor does not so act in breach of any applicable legislation or rules and this Agreement constitutes binding obligations on the Vendor enforceable in accordance with its terms. All necessary consents, authorizations and approvals for the transfer of the Sale Share herein contained have been or will, by Completion, be obtained.

6.2 Warranties to be independent

Each of the warranties set forth in Clause 6.1 hereinabove shall be separate and independent and, save as expressly provided, shall not be limited by reference to any other warranties.

6.3 Pending Completion

The Vendor shall procure that (save only as may be necessary to give effect to this Agreement) neither the Vendor nor any members of the Target Group shall do, allow or procure any act or omission before Completion which would constitute a material breach of any of the Vendor's warranties.

6.4 Disclosure

The Vendor shall use its best endeavours to forthwith disclose to the Purchaser in writing any matter or thing which may become known to it after the date hereof and before Completion which is materially inconsistent with any of the Vendor's warranties for which it is liable or which would make any of them inaccurate or misleading in any material respect if they were given at any and all times from the date hereof up to Completion.

6.5 Right of rescission

In the event of it becoming apparent on or before Completion that any of the Vendor's warranties or any other term of this Agreement is incorrect or breached in any material respect, the Purchaser may rescind this Agreement by notice in writing to the other party without prejudice to any other rights it may have in respect of the alleged breach or rescission hereof.

6.6 Indemnity

- (a) The Purchaser has entered into this Agreement upon the basis of the Vendor's warranties and the same together with any provision of this Agreement which shall not have been fully performed at Completion shall remain in force notwithstanding that Completion shall have taken place.
- (b) In addition to the rights of the Purchaser at common law in respect of any breach of any of the Vendor's warranties and notwithstanding whether all or any of the transactions contemplated by this Agreement shall have been completed, the Vendor covenants with the Purchaser to hold the Purchaser (including its directors, shareholders, employees and advisors) fully



indemnified on demand against any loss or liability suffered as a result of or in connection with its breach of any of the Vendor's warranties.

**7. FURTHER OBLIGATIONS PENDING COMPLETION**

Between the date hereof and the Completion Date, the Vendor shall use its best endeavours to procure that each member of the Target Group will not, save as contemplated under this Agreement or in the ordinary and usual course of business, without the prior consent in writing of the Purchaser:

- (a) 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 or otherwise take any action which might result in the Purchaser acquiring on Completion a percentage interest in the Target Company lower than that contemplated in this Agreement or the Target Company reducing its interest in any of the Company's Subsidiaries; or
- (b) borrow any moneys or alter the terms of any existing financing/lending documents or lending arrangements; or
- (c) purchase or redeem any shares in any member of the Target Group or provide financial assistance for any such purchase; or
- (d) make any advances or other credits to any third party or give any guarantee, indemnity, surety or security; or
- (e) compromise, settle, release, discharge or compound any material civil, criminal, arbitration or other proceedings or any material liability, claim, action, demand or dispute or waive any right in relation to any of the foregoing of an amount exceeding HK\$100,000.00 (or its equivalent in any other currencies); or
- (f) dispose or agree to dispose of or acquire or agree to acquire any material asset which could reasonably be expected to materially and adversely affect the business of the Target Group or enter into any long term, abnormal or unusual contract; or
- (g) enter into or amend any service agreements with directors or officers or increase the remuneration payable thereto; or
- (h) enter into any transaction or arrangement, other than for full consideration and on arm's length terms; or
- (i) do any act or thing which would have a material and adverse effect on the financial position or prospects of the Target Group.

**8. ACCESS TO INFORMATION**

- 8.1 From the date of this Agreement and until Completion, the Purchaser, its professional advisers and appointed representatives shall have the right upon prior appointment and causing as little disturbance as possible to visit the facilities of the Target Group as they reasonably require so as to:
- (a) verify the accuracy of the Vendor's warranties;
  - (b) check the existence and condition of the assets thereat; and
  - (c) carry out a review of and investigation into the assets, liabilities, financial condition, contracts, commitments and the business of the Target Group.
- 8.2 The Vendor hereby undertakes with the Purchaser to use its best endeavours to procure that any information and documents reasonably required by the Purchaser or its professional advisers or appointed representatives for the purposes of such review and investigation referred to in Clause 8.1 hereinabove shall be made available within a reasonable time after request including, but not limited to the following:
- (a) the books of account of each member of the Target Group, including all accounts ledgers;
  - (b) the statutory books of each member of the Target Group or copies thereof;
  - (c) a list of the assets, liabilities and receivables of each member of the Target Group;
  - (d) details of all bank accounts of each member of the Target Group (including, the name and address of the bank with whom the account is kept and the number and nature of the account) and a statement of the credit and debit balance thereon as at the close of business on a date not being more than thirty (30) days prior to the date of this Agreement;
  - (e) copies of all licences, agreements, agencies or such other documents which affect the management and operation of each member of the Target Group; and
  - (f) copies of all banking facility documentation entered into by any member of the Target Group.
- 8.3 The Purchaser hereby undertakes with the Vendor that it will not, prior to the Completion and save as required by law or the Listing Rules, make use of or disclose or divulge any confidential information relating to the Target Group obtained by it or its representatives pursuant to this Clause 8 to any person other than its own directors, officers, employees or professional advisors.

## 9. COSTS

9.1 Each party to this Agreement shall pay its own costs and expenses in connection with the negotiation, preparation and execution of this Agreement and any other documents referred to in or incidental to this Agreement.

9.2 The Vendor shall bear and indemnify the Purchaser against the cost of all registration, stamp duty, fees, taxation and transfer duties payable by the Purchaser as a result of the transactions contemplated under this Agreement.

## 10. PROVISIONS RELATING TO THIS AGREEMENT

### 10.1 Assignment

This Agreement shall be binding upon and enure for the benefit of the successors of the parties but shall not be assignable without the other party's written consent.

### 10.2 Whole agreement

This Agreement (together with any documents referred to herein) constitutes the whole agreement between the parties hereto relating to its subject matter and no variations hereof shall be effective unless made in writing signed by the parties hereto.

### 10.3 Agreement survives Completion

The Vendor's warranties and all other provisions of this Agreement, in so far as the same shall not have been performed at Completion, shall remain in full force and effect notwithstanding Completion.

### 10.4 Further assurance

Each party shall do and execute or procure to be done and executed all such further acts, deeds, things and documents as may be necessary to give effect to the terms of this Agreement.

### 10.5 Invalidity

If any provision of this Agreement shall be held to be illegal or unenforceable, the legality and enforceability of the remainder of this Agreement shall not be affected.

### 10.6 Notices

Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent to the relevant party at its addresses set out below (or such other addresses as the addressee has by five (5) days' prior written notice specified to the other party):

To the Vendor : 28<sup>th</sup> Floor  
Bank of China Tower

No. 1 Garden Road, Central  
Hong Kong

Attention: Ms. Phyllis Kan  
Email : phyllis.kan@sctrade.com

To the Purchaser : 28<sup>th</sup> Floor  
Bank of China Tower  
No. 1 Garden Road, Central  
Hong Kong

Attention: Mr. Casey Hui  
Email : casey.hui@scholding.com

Any notice, demand or other communication so addressed to the relevant party shall be deemed to have been delivered (a) if given or made by letter, when actually delivered to the relevant address; and (b) if given or made by email, when despatched.

#### 10.7 Specific performance

Notwithstanding any of the provisions contained in this Agreement, if any party hereto fails to complete the transactions contemplated under this Agreement in accordance with the provisions herein, the party not in default may take proceedings to enforce specific performance of this Agreement or rescind this Agreement. This Clause 10.7 shall not preclude or be deemed to preclude that party from taking other steps or remedies to enforce its rights under this Agreement or otherwise. This Clause 10.7 shall not prevent that party from recovering, in addition to liquidated damages, damages representing interest paid or lost by them by reason of the other party's failure. The party not in default shall not exercise such rights unless it shall have given to the other party a notice in writing requiring the other party to remedy the same within fourteen (14) days from the date of receipt of such notice and the other party has failed to comply with such notice.

#### 10.8 Counterparts

This Agreement may be executed in one or more counter parts each of which shall be binding on each party by whom or on whose behalf it is so executed, but which together shall substitute a single instrument.

#### 10.9 Time of essence

Time shall be of the essence as regards any date or period mentioned in this Agreement and any date or period substituted for the same by agreement of the parties hereto or otherwise.

#### 11. RIGHTS OF THIRD PARTY

The Contracts (Rights of Third Parties) Ordinance, Cap. 623 of laws of Hong Kong, shall not apply to this Agreement and no rights or benefits expressly or impliedly conferred by it shall be enforceable under that Ordinance against the parties hereto, their successors or permitted assignees by any other person.

12. **LAW AND JURISDICTION**

12.1 Law

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

12.2 Jurisdiction

In relation to any legal action or proceedings to enforce this Agreement or arising out of or in connection with this Agreement (“**proceedings**”) each of the parties irrevocably submits to the exclusive jurisdiction of the courts of Hong Kong and waives any objection to proceedings in such courts on the grounds of venue or on the grounds that the proceedings have been brought in any inconvenient forum.

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## SCHEDULE

### PARTICULARS OF THE TARGET GROUP

#### Part I - the Target Company

1. Incorporation number : 1964752
2. Date of incorporation : 27 December 2017
3. Place of incorporation : British Virgin Islands
4. Address of registered office : Vistra Corporate Services Centre,  
Wickhams Cay II,  
Road Town, Tortola, VG1110  
British Virgin Islands
5. Correspondence address  
in Hong Kong : 28<sup>th</sup> Floor,  
Bank of China Tower,  
No. 1 Garden Road,  
Central,  
Hong Kong
6. Authorised share capital : 50,000 shares of a single class each with a par  
value of US\$1.00
7. Issued share capital : US\$1.00  
(as at the date of this Agreement)
8. Director : Ms. Cheung Choi Ngor
9. Shareholder : South China Financial Holdings Limited


Part II - the Company Subsidiaries (after completion of the Internal Restructuring)

<b>Name</b>	<b>Place of incorporation</b>	<b>Percentage holding by the Target Company</b>	<b>Principal activities</b>
South China F & B Management Company Limited	Hong Kong	100% (direct)	Investment holding
南京華鑫餐飲管理有限公司 (包括第一分公司及第二分公司)	PRC	100% (indirect)	餐飲管理；企業管理諮詢，餐飲資訊諮詢；展覽展示服務，會議服務；組織文化藝術交流活動(不含演出)；食品加工技術轉讓、技術諮詢；酒店用品、廚具的銷售；餐飲服務(僅限分公司經營)
南京吳系餐飲管理有限公司	PRC	100% (indirect)	為餐飲企業提供管理服務；餐飲服務；預包裝食品兼散裝食品銷售；自製飲品制售；企業管理諮詢；餐飲資訊諮詢；展覽展示服務；會議服務；組織文化藝術交流活動(不含演出)；食品加工技術轉讓、技術諮詢；酒店用品、廚具銷售

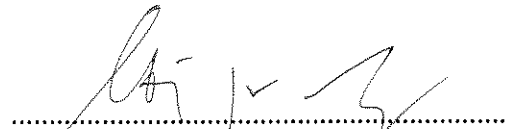
**EXECUTION**

**IN WITNESS WHEREOF** this Agreement has been executed on the day and year first above written.

**SIGNED** by: Ms. Cheung Choi Ngor )  
duly authorised for and on behalf of )  
**SOUTH CHINA FINANCIAL** )  
**HOLDINGS LIMITED** )  
in the presence of: )

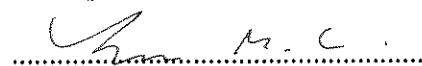
  
..... )  
Signature of witness )

YUEN MEI LING )  
..... )  
Name of witness (block letters) )

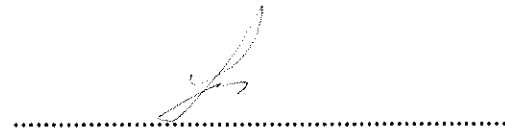
  
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By executing this Agreement the )  
signatory warrants that the signatory is )  
duly authorised to execute this Agreement )  
on behalf of South China Financial )  
Holdings Limited )

**SIGNED** by: Mr. Richard Howard Gorges )  
duly authorised for and on behalf of )  
**SOUTH CHINA INDUSTRIES (BVI)** )  
**LIMITED** )  
in the presence of: )

  
..... )  
Signature of witness )

YUEN MEI LING )  
..... )  
Name of witness (block letters) )

  
.....

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Limited )