

Share Purchase Agreement

Date 13 June 2022

Parties **Infinity Entertainment Group Limited** a company incorporated under the laws of the Cayman Islands whose registered address is c/o Unit 802B&803A, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong (**Seller**)

Luk Hing Entertainment Group Holdings Limited (8052.HK) a publicly listed company on the Hong Kong Stock Exchange incorporated under the laws of the Cayman Islands whose principal place of business in Hong Kong is Room 1505, 15/F, Shun Tak Centre West Tower, 168-200 Connaught Road Central, Sheung Wan, Hong Kong (**Buyer**)

LC Capital Limited a company incorporated under the laws of the Hong Kong whose registered office address is Units 802B & 803A, Tower 1, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong (**Guarantor**)

Recitals

- A The Target Company is a company incorporated under the laws of Hong Kong.
- B The Seller is the legal and beneficial owner of the Sale Shares.
- C The Seller agrees to sell and the Buyer agrees to purchase the Sale Shares on the terms of this Agreement (**Acquisition**).

Operative provisions

1. Definitions

1.1 In this Agreement, unless the context otherwise requires:

Agreement means this share purchase agreement.

Business means the business of the Target Company currently in operation under the trade name C45 located at 30-32 D'Aguilar Street, 1/F&2/F, California Tower, Central, Hong Kong.

Business Day(s) means a day that is not a Saturday, Sunday or public holiday and on which the Hong Kong Stock Exchange is open for trading in securities and banks are open for business generally in Hong Kong, Special Administrative Region of the People's Republic of China.

Completion means completion of the sale and purchase of the Sale Shares in accordance with clause 3.

Completion Date means the third business day after the date that the conditions precedent of this Agreement have been fulfilled, or any other date agreed in writing by the Parties.

Consideration means the consideration for the Acquisition, being HK\$34,560,000, which shall be satisfied by the allotment and issue of 432,000,000 Consideration Shares (as hereinafter defined).

Hong Kong means the Hong Kong Special Administrative Region of the People's Republic of China.

HK\$ means Hong Kong dollars, the lawful currency of Hong Kong.

Long Stop Date means 27 June 2022, or such later date as the Seller and the Buyer may agree in writing.

Target Company means C45 Holdings Limited (Company No. 2982322), a company incorporated under the laws of Hong Kong.

Third Party Interest means any:

- (a) Security Interest;
- (b) lease, licence, option, voting arrangement, notation, restriction;
- (c) Interest under any agreement, equity or trust;
- (d) easement, restrictive covenant, caveat or similar restriction over property; or
- (e) other right, entitlement or interest of any nature held by a third party.

Sale Shares means 10,000 fully paid ordinary shares in the capital of the Target Company.

Shares means ordinary share(s) of HK\$0.01 each in the capital of the Buyer.

2. Sale and purchase

Sale and purchase

- 2.1 The Seller agrees to sell and the Buyer agrees to purchase the Sale Shares on the terms of this Agreement.

Title and risk

- 2.2 Beneficial title to and risk in the Sale Shares passes to the Buyer on Completion.

Free from Third Party Interests

- 2.3 The Seller must sell the Sale Shares, and the Sale Shares must be transferred, free from any third party interests and with all rights attached or accruing to them on and from Completion.

All of the shares

- 2.4 The Buyer will not be obliged to complete the purchase of any of the Sale Shares unless it is able to purchase all of the Sale Shares.

Purchase in specie

- 2.5 The Parties have agreed that the Purchase Price of the Sale Shares shall be HK\$34,560,000 which shall be satisfied by way of a share allotment to the Seller of 432,000,000 fully paid ordinary shares (the "**Consideration Shares**") in the issued share capital of the Buyer.

- 2.6 The Consideration Shares will be allotted and issued at the issue price of HK\$0.08 each, credited as fully paid. The Consideration Shares, when allotted and issued, shall rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Consideration Shares including the right to all dividends, distributions and other payments made or to be made, on the record date which falls on or after the date of such allotment and issue.

3. Completion

Conditions precedent

- 3.1 Completion shall be conditional upon and subject to the following conditions precedent (**Conditions Precedent**):
- (a) the listing committee of The Stock Exchange of Hong Kong Limited (**Stock Exchange**) having granted approval for the listing of, and permission to deal in, the Consideration Shares;
 - (b) all necessary consents, authorisations, approval, licence, permission, order (or, as the case may be, relevant waiver or exemption) in connection with this Agreement and the transactions contemplated thereby having been obtained by the respective Parties (including but not limited to, the necessary consent from the Stock Exchange and banks);
 - (c) the representations, warranties and undertakings provided by the Seller set out in the Agreement remaining true, accurate and not misleading in any respect at Completion as if repeated at Completion and at all times between the date of the Agreement and Completion.

The Buyer may waive the conditions precedent (c) at its discretion. If the conditions precedent have not been satisfied (or, as the case may be, waived by the Buyer) on or before the Long Stop Date, the Buyer shall not be bound to proceed with the purchase of the Sale Shares and this Agreement (other than the survival clause(s)) shall from the Long Stop Date, become void and of no further effect and, save in respect of any antecedent breaches, all liabilities and obligations of the Parties shall cease and determine provided that such termination shall be without prejudice to any rights or remedies of the parties thereto which shall have accrued prior to such termination.

Timing and location

- 3.2 Completion will take place on the Completion Date at a time and place after all the Conditions Precedents of this Agreement have been fulfilled (or waived as the case may be) or such date agreed by the Seller and Buyer in writing.

Obligations of the Seller on or before the Completion Date

- 3.3 On or before the Completion Date, the Seller must:
- (a) deliver to the Buyer:
 - (i) a duly stamped instrument of transfer and bought and sold note in favour of the Buyer as transferee and duly executed by or on behalf of the Seller as transferor in respect of all of the Sale Shares, in a form acceptable to the Buyer's company secretary; and
 - (ii) all other documents as may be reasonably required to register the Buyer as the registered holder of the Sale Shares; and

- (iii) all registered intellectual property rights including rights to use the name of the Business, its current social media platforms and other related rights.
- (b) do all such things as necessary or reasonably required by the Buyer to complete the sale of the Sale Shares in accordance with this Agreement including but not limited to providing the information listed in the attached Schedule 1.

Obligations of the Buyer

- 3.4 On the Completion Date, subject to the performance of the obligations of the Seller on or before the Completion Date, the Buyer shall allot and issue the Consideration Shares to the Seller.
- 3.5 The Buyer shall appoint one director to be nominated by the Seller to the board (**Board**) of the Buyer as executive director (**Director's Appointment**) with effect from Completion.

Simultaneous actions at Completion

- 3.6 Unless otherwise agreed in writing by the parties, all actions at Completion are interdependent and will be deemed to take place simultaneously and no delivery or payment will be deemed to have been made until all deliveries and payments due to be made on Completion under this Agreement have been made or waived.

Deferred Completion

- 3.7 If the Completion does not occur on the Completion Date in accordance with this clause 3 because of the failure of any party (**Defaulting Party**) to satisfy any of its obligations under clause 3.3 (in the case of the Seller) or clause 3.4 (in the case of the Buyer), then the Defaulting Party must satisfy those obligations within a period of 14 days after the date of the original Completion Date.
- 3.8 If the Defaulting Party fails to satisfy its obligations under clause 3.7, then the other non-defaulting party may, at its election, without limiting its other rights or remedies available under this Agreement or at law immediately terminate this Agreement.

4. Representations and warranties

Representations and Warranties by the Seller

- 4.1 The Seller represents and warrants to the Buyer that at the date of this Agreement and at all times until and including the Completion Date, each of the following statements is true and accurate:
 - (a) (**body corporate**) if the Seller is a body corporate, it is validly existing and duly established under the laws of its place of incorporation;
 - (b) (**capacity and authority**) the Seller has the full legal capacity, authority and power to enter into this Agreement and carry out the transactions contemplated by this Agreement, including the sale of the Sale Shares;
 - (c) (**agreement effective**) this Agreement constitutes the Seller's legal, valid and binding obligations, enforceable against it in accordance with its terms;
 - (d) (**no infringement of laws or agreement**) the execution, delivery and performance of this Agreement by the Seller will not infringe any applicable law or regulation (including any applicable laws or subsidiary legislation) and is not and will not result in any breach of the terms of, or constitute a default under, any instrument or agreement to which the Seller is a party or by which it is bound under this Agreement;

- (e) **(ownership)** the Seller is, and will be on the Completion Date, the registered holder and sole legal owner of the Sale Shares and the beneficial owner of such Sale Shares;
- (f) **(no encumbrances)** the Seller will transfer, under the terms of this Agreement, the full legal and beneficial ownership of the Sale Shares free and clear of all third party interests;
- (g) **(power to sell)** the Seller has the corporate authority and power to sell the Sale Shares under this agreement and no person has a conflicting right, whether contingent or otherwise, to purchase or to be offered for purchase the Sale Shares; and
- (h) **(information provided)** to the best of the Seller's knowledge, the information provided by the Seller to the Buyer, in relation to the Target Company, is true and correct in all material respects and not misleading or deceptive whether by omission or otherwise.
- (i) the Sale Shares comprises 100% of the total issued share capital of the Target Company, have been properly allotted and issued and are fully paid and non-assessable and rank pari passu with other issued shares of the Target Company.
- (j) the lease, tenancy or license in respect of the leased property at 1st & 2nd floor of California Tower, 32 D'Aguilar Street, Central (the "**Leased Property**") is good valid and subsisting and in no way has become void or voidable. The Target Company has duly and promptly observed and performed all covenants, obligations, conditions and restrictions imposed upon it under the applicable lease in relation to the Leased Property. All rent and other charges or payments payable under the applicable lease, tenancy or license in relation to the Leased Property.
- (k) the Target Company has obtained all valid licenses which it is required to obtain by applicable laws or otherwise necessary for it to operate its Business since its incorporation and has complied with the terms and conditions of, each license.
- (l) The management accounts of the Target Company for the two years ended 31 December 2020 and 31 December 2021 set out in Schedule 2 fully disclose and provide adequately for all bad and doubtful debts, all liabilities (actual, contingent or otherwise) and all financial commitments of the Target Company as at their respective last accounting dates. There exist no off-balance sheet (actual, contingent or otherwise).
- (m) The total liabilities of the Target Company as at Completion Date shall not be more than HK\$10,000.

Representations and warranties by the Buyer

- 4.2 The Buyer represents and warrants to the Seller that at the date of this Agreement and at all times until and including the Completion Date, each of the following statements is true and accurate:
- (a) **(body corporate)** if the Buyer is a body corporate, it is validly existing and duly established under the laws of its place of incorporation;
 - (b) **(capacity and authority)** the Buyer has the full legal capacity, authority and power to enter into this Agreement and carry out the transactions contemplated by this Agreement, including the sale of the Sale Shares;
 - (c) **(agreement effective)** this Agreement constitutes the Buyer's legal, valid and binding obligations, enforceable against it in accordance with its terms; and

- (d) **(no infringement of laws or agreement)** the execution, delivery and performance of this Agreement by the Buyer will not infringe any applicable law or regulation (including any applicable laws and subsidiary legislation) and is not and will not result in any breach of the terms of, or constitute a default under, any instrument or agreement to which the Buyer is a party or by which it is bound under this Agreement.

Post-completion profit guarantee and compensation

4.3 The Seller irrevocably and unconditionally guarantees to the Buyer that the net profit after tax of the Target Company one year after Completion shall be no less than HK\$4,800,000 (**Guaranteed Profit**).

4.4 In the event the actual net profit after tax of the Target Company one year after Completion (**Actual Profit**) is less than the Guaranteed Profits (**Shortfall**), the Seller shall compensate the Buyer the Shortfall to be calculated based on the following formula:

$$\text{Compensation Sum} = \text{Guaranteed Profit} - \text{Actual Profit}$$

4.5 In the event that the Target Company is in net loss after tax one year after Completion (**Actual Loss**), the Seller shall compensate the Buyer the Guaranteed Profit and the Actual Loss.

4.6 The Compensation Sum shall be settled in cash to be paid by the Seller to the Buyer. The Seller shall settle and pay all Compensation Sum payable within 14 Business Days upon the issuance of the relevant audit report of the Target Company covering the period one year after Completion.

4.7 The Seller agrees to provide to the Buyer the audited accounts of the Target Company for the financial year ended 31 December 2020 and 2021 within one month after the Completion Date. In the event that the actual net profit after tax of the Target Company as per the audited accounts for the financial year ended 31 December 2021 is less than the unaudited net profit after tax of the Target Company as per the unaudited management accounts of the Target Company for the corresponding financial period set out in Schedule 2 by 5% or more, for every HK\$1 shortfall, the Seller and the Guarantor shall compensate the Buyer by HK\$8.

4.8 The Guarantor irrevocably and unconditionally agrees to guarantee the due and punctual performance of the Seller's obligations under this Agreement.

Reliance

4.9 Each party acknowledges that the other party has relied on the above representations and warranties in entering into this Agreement and will continue to rely on these representations and warranties in performing their obligations under this Agreement. The above representations and warranties in this clause 4 continue in full force and effect on and after the Completion Date, and will not merge or be extinguished on Completion.

Notification

4.10 Each party must notify the other party immediately upon becoming aware of any of the following occurring prior to Completion:

- (a) any change affecting any of the above representations and warranties; or

- (b) any of the above representations or warranties becoming materially untrue or incorrect.

5. Confidentiality

No announcement or other disclosure of transaction

- 5.1 Except as permitted by clause 5.2, each party must keep confidential the existence of and the terms of this Agreement and all negotiations between the Parties in relation to the subject matter of this Agreement.

Permitted disclosure

- 5.2 Nothing in this Agreement prevents a person from disclosing matters referred to in clause 5.1:

- (a) if disclosure is required to be made by law or the rules of a recognised stock or securities exchange and the party whose obligation it is to keep matters confidential or procure that those matters are kept confidential has before disclosure is made notified each other party of the requirement to disclose and, where the relevant law or rules permit and where practicable to do so, given each other party a reasonable opportunity to comment on the requirement for and proposed contents of the proposed disclosure;
- (b) to any professional adviser of a party who has been retained to advise in relation to the transactions contemplated by this Agreement or any auditor of a party who reasonably requires to know;
- (c) with the prior written approval of the party other than the party whose obligation it is to keep those matters confidential or procure that those matters are kept confidential; or
- (d) where the matter has come into the public domain otherwise than as a result of a breach by any party of this Agreement.

HKEX (GEM) disclosure

- 5.3 Each party must, to the extent practicable, give each other party a reasonable opportunity to review and comment on any announcement, communication, media release or similar document in connection with this Agreement, the subject matter of this Agreement or any negotiations or discussions between the Parties in relation to this agreement or the subject matter of this Agreement.

6. Notices

Requirements

- 6.1 Any notice must be:
 - (a) in legible writing and in English;
 - (b) addressed to the recipient at the address or facsimile number set out below or to any other address, email address or facsimile number that a party may notify to the other Parties:

to the Buyer:

Address: Room 1505, 15th Floor, Shun Tak Centre, West Tower, 168-200 Connaught Road, Central, Hong Kong

Attention: John Choi

to the Seller:

Address: Unit 802B, 8th Floor, Admiralty Centre, Tower 1, 18 Harcourt Road, Admiralty, Hong Kong

Attention: Yicheng Chen

- (c) signed by a director or company secretary of the Buyer (in the case of a notice from the Buyer) or the Seller (in the case of a notice from the Seller).

7. General

Entire Agreement

- 7.1 This Agreement together with any agreements or documents referred to in this Agreement or executed in connection with this Agreement is the entire agreement of the Parties about the subject matter of this Agreement and supersedes all other agreements, representations, negotiations, arrangements, understandings or communications.

Amendment

- 7.2 This Agreement and any other agreement or document referred to in this Agreement or executed in connection with this Agreement may be amended only by a document signed by the Buyer and the Seller.

Costs

- 7.3 Except as otherwise set out in this Agreement, each party must pay its own costs in respect of this Agreement and the documents and transactions contemplated by this Agreement. Stamp duty in relation to the transfer of the Sale Shares shall be borne entirely by the Seller.

No merger

- 7.4 The warranties, other representations and promises by the parties are continuing and will not merge or be extinguished on Completion.

Further assurances

- 7.5 Each party must, at its own expense, whenever requested by the other party, promptly do or, to the extent reasonably practicable, arrange for others to do everything, including executing any documents, reasonably necessary to give full effect to this Agreement and the transactions contemplated by this Agreement.

Relationship of Parties

- 7.6 Except where this Agreement expressly states otherwise, this Agreement does not create a fiduciary relationship or any relationship of employment, trust, agency or partnership between the Parties.

Invalid or unenforceable provisions

- 7.7 If a provision of this Agreement is invalid or unenforceable in a jurisdiction:

- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
- (b) it does not affect the validity or enforceability of:
 - (i) that provision in another jurisdiction; or
 - (i) the remaining provisions.

Counterparts

7.8 This Agreement may be signed in counterparts and all counterparts taken together constitute one document.

Governing law and jurisdiction

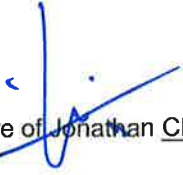
7.9 This Agreement is governed by the laws of Hong Kong. Each party irrevocably and unconditionally:

- (a) submits to the non-exclusive jurisdiction of the courts of Hong Kong; and
- (b) waives any claim or objection based on absence of jurisdiction or inconvenient forum.

Execution

Executed as an agreement.

Signed for and on behalf of the Seller
Infinity Entertainment Group Limited


Signature of Jonathan CHENG
Director

Signed for and on behalf of the Buyer
Luk Hing Entertainment Group Holdings Limited


Signature of CHOI Siu Kit John
Director

Signed for and on behalf of the Guarantor
LC Capital Limited


Signature of Jonathan CHENG
Director

Schedule 1

At Completion, the Seller and the Guarantor shall deliver or procure to be delivered to the Purchaser:

- Latest 3 months bank statement and accounts of the Target Company
- Tenancy Agreement for the Business
- Breakdown of Salary and Pension
- List and contract for sponsorship agreements
- List of inventories
- All equipment contracts such as POS system
- Documents for all Intellectual Property rights of the Business
- All Licenses and approvals documents for the Business operations
- Such other items in relation to the Business as the Buyer may reasonably require

Schedule 2

**Management accounts of the Target Company for the two financial years ended 31 December
2020 and 31 December 2021**

**C45 HOLDINGS LIMITED
PROFIT AND LOSS STATEMENT (MANAGEMENT ACCOUNT)**

	1 December 2020 to 31 December 2020
	(HKD)
Revenue	792,921
Cost of inventories sold	<u>(83,666)</u>
Gross profit	709,255
Other income and gain	350,026
Staff Costs	(499,195)
Rental and related expenses	(132,949)
Marketing expenses	(40,904)
Other operating expenses	<u>(114,994)</u>
EBITDA	271,238
Depreciation	(129,900)
Finance costs	<u>-</u>
Profit before taxation	141,338
Taxation	<u>(11,660)</u>
Net profit for the period	<u>129,677</u>

C45 HOLDINGS LIMITED
BALANCE SHEET (MANAGEMENT ACCOUNT)

As at 31 December 2020

	(HKD)
ASSETS	
Non-current assets	
Plant and equipments	3,079,469
	<u>3,079,469</u>
Current assets	
Inventories	443,126
Account and other receivables	4,668,706
Cash and cash equivalents	412,553
	<u>5,524,385</u>
LIABILITIES	
Current liabilities	
Account and other payables	(8,473,176)
	<u>(8,473,176)</u>
Net current liabilities	<u>(2,948,792)</u>
Net assets	<u><u>130,677</u></u>
EQUITY	
Capital and reserves	
Share capital	1,000
Accumulated Profit	129,677
	<u>130,677</u>
Total equity attributable to the owners of the Company	<u><u>130,677</u></u>

C45 HOLDINGS LIMITED
PROFIT AND LOSS STATEMENT (MANAGEMENT ACCOUNT)

1 January 2021
to
31 December 2021

	(HKD)
Revenue	31,688,690
Cost of inventories sold	<u>(4,757,523)</u>
Gross profit	26,931,167
Other income and gain	1,018,302
Staff Costs	(6,479,607)
Rental and related expenses	(10,034,102)
Marketing expenses	(2,566,730)
Other operating expenses	<u>(1,907,722)</u>
EBITDA	6,961,308
Depreciation	(1,558,800)
Finance costs	<u>(3)</u>
Profit before taxation	5,402,505
Taxation	<u>(726,413)</u>
Net profit for the year	<u>4,676,092</u>

C45 HOLDINGS LIMITED
BALANCE SHEET (MANAGEMENT ACCOUNT)

As at 31 December 2021

	(HKD)
ASSETS	
Non-current assets	
Plant and equipments	2,816,274
	<u>2,816,274</u>
Current assets	
Inventories	5,183,431
Account and other receivables	4,312,270
Cash and cash equivalents	119,616
	<u>9,615,316</u>
LIABILITIES	
Current liabilities	
Account and other payables	(7,624,821)
	<u>(7,624,821)</u>
Net current assets	<u>1,990,495</u>
Net assets	<u><u>4,806,769</u></u>
EQUITY	
Capital and reserves	
Share capital	1,000
Accumulated Profit	4,805,769
	<u>4,806,769</u>
Total equity attributable to the owners of the Company	<u><u>4,806,769</u></u>