

**DATE: 17 MAY 2022**

**NAM PEI HONG SUM YUNG DRUGS COMPANY LIMITED**  
**(as the Borrower)**

**AND**

**GLOBAL MASTERMIND FINANCIAL SERVICES LIMITED**  
**(as the Lender)**

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**LOAN AGREEMENT**  
**for**  
**revolving loan facilities of up to HK\$17,000,000**

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### Execution

**THIS LOAN AGREEMENT** is made on the 17<sup>th</sup> day of May 2022

**BETWEEN:**

- (1) **NAM PEI HONG SUM YUNG DRUGS COMPANY LIMITED**, a company incorporated in Hong Kong with limited liability with its registered office situate at Unit B, 1/F., Gee Luen Chang Industrial Building, No. 11 Yuk Yat Street, To Kwa Wan, Hong Kong (the "**Borrower**"); and
- (2) **GLOBAL MASTERMIND FINANCIAL SERVICES LIMITED**, a company incorporated in Hong Kong with limited liability with registered office situate at Unit 1202, 12<sup>th</sup> Floor, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong (money lender licence number: 0577/2021) (the "**Lender**").

**WHEREAS:**

The Lender has at the request of the Borrower agreed to make available to the Borrower revolving loan facilities of up to HONG KONG DOLLARS SEVENTEEN MILLION (HK\$17,000,000) for the purpose of financing the Borrower's funding needs, subject to and upon the terms and conditions of this Loan Agreement.

**1. INTERPRETATION**

1.1 In this Loan Agreement (including the Schedules), the following expressions shall, except where the context otherwise requires, have the meanings attributed to them respectively below:

- |                              |  |
|------------------------------|--|
| <b>"Advance"</b>             | each of the principal amount advanced to the Borrower on the occasion of Drawing   |
| <b>"Availability Period"</b> | the period commencing from the date on which this Loan Agreement becoming unconditional and ending on the Final Repayment Date   |
| <b>"Business Day"</b>        | a day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours   |
| <b>"Drawdown Date"</b>       | the date on which the Borrower makes the Drawing   |
| <b>"Drawing"</b>             | the drawdown to be made by the Borrower on the Drawdown Date   |
| <b>"Event(s) of Default"</b> | any one or more of the events specified in Clause 13.1 or any act or event which with the giving of notice and/or the lapse of time and/or the fulfilment of any other condition would become one or more of such events |

<b>“Facilities”</b>	the Loan to be made available by the Lender to the Borrower under this Loan Agreement
<b>“Final Repayment Date”</b>	the date falling twenty four (24) months after the date on which this Loan Agreement becoming unconditional
<b>“Guarantee”</b>	a corporate guarantee duly and properly executed by the Guarantor in favour of the Lender as a security for all the obligations of the Borrower under this Loan Agreement
<b>“Guarantor”</b>	China Healthwise Holdings Limited, a company incorporated in the Cayman Islands with limited liability and having its registered office situate at P.O. Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands, and its principal place of business is at Unit 1209, Shun Tak Centre, West Tower, 168–200 Connaught Road Central, Hong Kong
<b>“HK Dollars” and “HK\$”</b>	mean the lawful currency for the time being of Hong Kong;
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“Loan”</b>	the principal amount of up to HONG KONG DOLLARS SEVENTEEN MILLION (HK\$17,000,000) to be advanced by the Lender to the Borrower subject to and upon the terms and conditions of this Loan Agreement or any part thereof and for the time being outstanding
<b>“Share Charge”</b>	means the charge over 11,999 issued and fully paid ordinary shares of the Borrower, of which to be executed by the Share Chargor
<b>“Notice of Drawing”</b>	the notice of drawing under the Facilities in the form set out in Schedule 2
<b>“Security Documents”</b>	means the Guarantee, Share Charge, and any other document executed from time to time by whatever person as a further guarantee of or security for all or any part of the Borrower's obligations under this Agreement
<b>“Share Chargor”</b>	NPH Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and having its registered office situate at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited

“**Transaction Documents**” means this Loan Agreement, the Guarantee and the Security Documents.

1.2 Except to the extent that the context requires otherwise, any reference in this Loan Agreement to:

- (1) an “**agency**” of a state or government means any ministry, agency, board, bureau, commission, department, authority, statutory corporation (whether autonomous or not) or other instrumentality of or any corporation or other entity owned or controlled by such state or government;
- (2) any document shall include that document as in force for the time being and as amended in accordance with the terms thereof or with the agreement of the parties thereto and with the consent of the Lender, if required hereunder;
- (3) any enactment shall include same as from time to time re-enacted, amended, extended, consolidated or replaced;
- (4) “**laws and regulations**” shall include all constitutional provisions, treaties, conventions, statutes, acts, laws, decrees, ordinances, subsidiary and subordinate legislation, orders, rules and regulations having the force of law, rules of civil and common law and equity, directives, instructions, notifications, circulars, policy statements and guidelines (whether or not having the force of laws) and other similar authorities;
- (5) a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, unit or trust (in each case, whether or not having separate legal personality);
- (6) “**subsidiary**” and “**holding company**” shall have the meaning attributed thereto by the Companies Ordinance (Cap. 622 of the Laws of Hong Kong);
- (7) “**tax**” includes any present or future tax, levy, impost, duty, charge, fees, deduction or withholding of any nature and whatever called, by whomsoever, on whomsoever and wherever imposed, levied, collected, withheld or assessed;
- (8) “**years**” and “**months**” mean calendar years and months respectively, under the Gregorian Calendar. For the avoidance of doubt and for the purpose of determining the interest payment date, a calendar month means a period beginning on one day of a calendar month and ending on the day numerically corresponding to such day in the following calendar month, provided that if the period begins on the last day of a calendar month or there is no such numerically corresponding day in the following month, the period shall end on the last day in such following calendar month.

1.3 The headings in this Loan Agreement are inserted for convenience only and shall be ignored in construing this Loan Agreement. Unless the context otherwise requires, references in this Loan Agreement to the singular shall be deemed to include references to the plural and *vice versa* and references to one gender shall include all genders.

1.4 References in this Loan Agreement to clauses, schedules and exhibits are references to clauses, schedules and exhibits to this Loan Agreement and references to sub-clauses and paragraphs are, unless otherwise stated, reference to sub-clauses and paragraphs of the clause, sub-clause or, as appropriate, the schedule to which the reference appears.

## **2. THE FACILITIES AND PURPOSES**

2.1 Subject to the terms and conditions of this Loan Agreement, the Lender hereby agrees to make available to the Borrower the Facilities up to a principal amount of HONG KONG DOLLARS SEVENTEEN MILLION (HK\$17,000,000) for the purpose of financing the funding needs of the Borrower PROVIDED ALWAYS that the Loan (neither in whole nor in part) shall not be used for the purpose of acquiring any securities issued by a company the issued shares of which are listed on any stock exchange (including but not limited to the Stock Exchange) (the “Restrictions”).

## **3. CONDITIONS PRECEDENT**

3.1 The obligations of the Lender to advance the Loan to the Borrower is conditional upon:

- (1) the publication of an announcement of Global Mastermind Holdings Limited, the holding company of the Lender, in relation to this Loan Agreement and the transactions contemplated hereunder in compliance with Chapter 19 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange;
- (2) the Lender having received the Guarantee duly and properly executed by the Guarantor, in a form to the satisfaction of the Lender, in favour of the Lender as a security for all the obligations of the Borrower under this Loan Agreement and all ancillary documents thereto;
- (3) the Lender having received the Share Charge duly executed by the Share Chargor, in a form to the satisfaction of the Lender, in favour of the Lender as a security for all the obligations of the Borrower under this Loan Agreement and all ancillary documents thereto;
- (4) all representations and warranties made by the Borrower in this Loan Agreement or in connection herewith being true and correct with the same effect as though made on and as of Drawdown Date with reference to the facts and circumstances then subsisting;
- (5) no Event of Default having occurred and no potential Event of Default having occurred (or being likely to occur as a result of the Loan being made); and
- (6) the Lender having received and found satisfactory such additional information and documents relating to the Guarantor, Share Chargor and/or the Borrower of this Loan Agreement as the Lender may reasonably require.

3.2 If the conditions set out in Clause 3.1 have not been satisfied (or as the case may be, waived) at or before 4:00 p.m. on 31 May 2022 or such later date as the Borrower and the

Lender may agree in writing, this Loan Agreement shall cease and determine (save and except Clauses 15, 16, 17, 18.1 and 20 which shall continue to have full force and effect) and thereafter, neither party shall have any obligations and liabilities towards each other hereunder save for any antecedent breaches of the terms hereof.

#### 4. **DRAWING**

4.1 Subject to Clause 4.2 and the other terms and conditions of this Loan Agreement, the Borrower may request Drawings by giving a Notice of Drawing for up to HONG KONG DOLLARS SEVENTEEN MILLION (HK\$17,000,000) at any time during the Availability Period.

4.2 The drawdown of each Advance by the Lender is also subject to the conditions that:

- (1) the outstanding principal amount of the Loan after the drawdown of such Advance shall not exceed HONG KONG DOLLARS SEVENTEEN MILLION (HK\$17,000,000);
- (2) the requirements of Clause 3 shall have been satisfied before a Notice of Drawing is given or at such later time as the Lender may agree;
- (3) the Lender shall have received not later than 12:00 noon (Hong Kong time) on the date falling one (1) Business Day immediately before the date on which the Drawing is to be made a duly completed and signed original Notice of Drawing;
- (4) the Lender shall have received evidence to its satisfaction that the Drawing will be applied for the purpose set out in Clause 2.1 as the Lender may reasonably require;
- (5) no Event of Default or prospective Event of Default shall have occurred (or would be likely to occur as a result of the Drawing being made) and all representations and warranties made by the Borrower in or in connection with this Loan Agreement shall be true and correct as at the date of the Drawing to be made with reference to the facts and circumstances then subsisting;
- (6) not later than 11:00 a.m. (Hong Kong time) on the date on which the Drawing is to be made, the Lender shall have received and found satisfactory such additional information and documents relating to the Borrower or this Loan Agreement as the Lender may reasonably require as a result of circumstances arising or becoming known to the Lender since the date of this Loan Agreement; and
- (7) the Lender has sufficient fund available to make the Advance.

4.2A The Lender shall be entitled in its absolute discretion to waive the condition set out in Clause 4.2(3) and 4.2(4).

4.3 A Notice of Drawing once given under Clause 4.1 shall not be revocable and shall oblige the Borrower to make the Drawing stated in the Notice of Drawing.

4.4 If (i) the Borrower has not made the Drawing of the first Advance for 90 days (or such other number of days as the Borrower and the Lender may agree in writing) after the

commencement of the Availability Period; or (ii) the Borrower has not made the Drawing for 15 days (or such other number of days as the Borrower and the Lender may agree in writing) after the Borrower has repaid all the principal amount of the Loan, the interest accrued thereon and all other outstanding amounts under this Loan Agreement to the Lender, the Facilities shall automatically be cancelled and no longer be available for the Drawing.

## **5. INTEREST**

5.1 The Borrower shall pay interest on each Advance in accordance with the provisions of this Clause 5.

5.2 Interest on each Advance shall accrue at Hong Kong Prime Rate (as quoted by the Hongkong and Shanghai Banking Corporation Limited) plus 4% per annum. Interest shall be calculated on the actual number of days elapsed and on the basis of a 365-day year. Without prejudice to Clauses 6.2 and 13.2, the Borrower shall pay the interest accrued on the outstanding principal amount of the Loan annually in arrears on the last Business Day of every year after the Drawdown Date of the first Advance.

5.3 If the Borrower defaults in repayment on the due date of any part of the Loan, interest or other amounts payable hereunder, the Borrower shall pay interest on such overdue sums from the due date until payment in full (before and after judgment) at the rate of Hong Kong Prime Rate (as quoted by the Hongkong and Shanghai Banking Corporation Limited) plus 4% per annum. Such interest shall be calculated on the actual number of days elapsed and on the basis of a 365-day year.

## **6. REPAYMENT**

6.1 Without prejudice to Clauses 6.2 and 13.2, the Borrower shall repay the outstanding principal amount of the Loan in full together with any accrued and unpaid interest in one lump sum on the Final Repayment Date.

6.2 Notwithstanding any provisions stated in this Loan Agreement, the outstanding principal amount of the Loan is repayable on demand by the Lender. The Lender has the overriding right at any time to require immediate repayment of the outstanding principal amount of the Loan, all interest accrued thereon and all other monies payable under this Loan Agreement.

## **7. PREPAYMENT**

7.1 The Borrower may prepay to the Lender the whole or any part of the outstanding principal amount of the Loan before the Final Repayment Date provided that:

- (1) the Borrower shall have given to the Lender prior written notice of its intention to make such prepayment, specifying the amount to be prepaid and the date on which prepayment is to be made; and
- (2) the Borrower shall, on the date of prepayment, pay to the Lender all accrued interest on the amount prepaid.

7.2 Subject to the terms and conditions of this Loan Agreement, any amounts prepaid under



this Clause 7 shall be available for re-borrowing and drawing provided that the aggregate outstanding principal amount of the Loan shall not exceed HONG KONG DOLLARS SEVENTEEN MILLION (HK\$17,000,000).

## **8. CHANGES IN CIRCUMSTANCES**

8.1 If at any time the Lender determines that any law or regulation or application or interpretation thereof by any governmental agency or judicial authority shall make it (or make it apparent to the Lender that it is or will be) unlawful or otherwise not feasible for the Lender to give effect to or maintain its obligations hereunder (which shall include the funding of the Loan by the Lender), upon the Lender notifying the Borrower:

- (1) if the Loan shall not have been drawn, the Lender's commitment hereunder shall be cancelled; and
- (2) if the Loan shall have been drawn, the Borrower shall, upon the Lender's demand, repay the Lender the whole (but not part only) of the Loan together with interest accrued thereon and any other amounts payable to the Lender hereunder within 30 Business Days.

8.2 A certificate of the Lender as to the amount payable by the Borrower shall, in the absence of manifest error, be conclusive and binding on the Borrower.

## **9. PAYMENTS**

9.1 All payments to be made by the Borrower to the Lender pursuant to this Loan Agreement shall be made in Hong Kong dollars in immediately available funds and, unless expressly provided in this Loan Agreement to the contrary, shall be made to the Lender not later than 11:00 a.m. (Hong Kong time) on the due day to such account as the Lender may from time to time stipulate in writing.

## **10. TAXES**

10.1 All amounts payable by the Borrower hereunder shall be made without set-off, counterclaim or other deductions and free and clear of and without deduction for or on account of any taxes (other than tax on the overall net income of the Lender) now or hereafter imposed, levied, collected, withheld or assessed by any country, state or any political sub-division or taxing authority thereof or therein or any federation or organisation of which any such country, state or any political sub-division thereof may at the time of payment be a member.

## **11. REPRESENTATIONS AND WARRANTIES**

11.1 The Borrower hereby represents and warrants to the Lender as follows:

- (1) the Borrower is an incorporation duly incorporated and validly existing under the laws of Hong Kong;
- (2) the Borrower is a subsidiary of the Share Chargor and indirectly wholly-owned subsidiary of the Guarantor;

- (3) each of the Borrower, Guarantor and the Share Chargor has full power, authority and legal right to own its property and assets and to carry on its business;
- (4) each of the Borrower, Guarantor and the Share Chargor has full power, authority and legal right to enter into and engage in the transactions contemplated by the Transaction Documents to which it is a party and has taken or obtained all necessary corporate and other action and consents to authorise the execution and performance of all such Transaction Documents;
- (5) this Loan Agreement constitutes and the Transaction Documents, when executed and delivered, will constitute legal, valid and binding obligations of the persons expressed to be parties thereto (other than the Lender) enforceable in accordance with their respective terms;
- (6) all necessary actions and authorisations under its constituent documents for each of the Borrower, the Guarantor and the Share Chargor enter into the Transaction Documents to which it is a party and to perform its obligations hereunder or thereunder have been taken and obtained;
- (7) all governmental or other authorisations, approvals and consents required for or in connection with the execution, delivery, performance, legality, validity, enforceability and admissibility in evidence of the Transaction Documents have been obtained and all such authorisations, approvals and consents are in full force and effect;
- (8) no action, suit or proceeding is pending or threatened against the Borrower before any court, board of arbitration or administrative agency or tribunal which the Lender may at its absolute discretion consider to be material on the business, assets or condition (financial or otherwise) of the Borrower, on the ability of the Borrower to perform its obligations under this Loan Agreement or other documents to which it is a party;
- (9) the Borrower has not taken any action for bankruptcy or liquidation and no steps have been taken or proceedings started or is threatened for the bankruptcy or liquidation of the Borrower or for the appointment of a receiver, trustee or similar officer of the Borrower;
- (10) the Borrower is not in default or has not committed any breach of or under any agreement to which it is a party or by which it may be bound and as at the date of this Loan Agreement, no condition, event or act exists or has occurred, which, with the lapse of time or the giving of notice or both or the fulfilment of any other condition would constitute such a default or breach;
- (11) the obligation of the Borrower under this Loan Agreement rank and will continue to rank at least *pari passu* with its existing and future unsecured and unsubordinated obligations;
- (12) the Borrower is not required to make any deduction or withholding from amounts payable under this Loan Agreement for or on account of any taxes now

or hereafter imposed by any taxing authority;

- (13) no Event of Default has occurred or will occur as a result of the entry into this Loan Agreement by the Borrower;
- (14) it is not necessary to ensure the legality, validity, enforceability or admissibility in evidence of this Loan Agreement that it or any other instrument be notarised, filed, recorded, registered or enrolled in any court, public office or elsewhere or that any stamp, registration or similar tax or charge be paid in Hong Kong on or in relation to this Loan Agreement and this Loan Agreement is in proper form for its enforcement in the courts of Hong Kong;
- (15) the Loan will be used solely and exclusively for the purposes as set out in Clause 2.1 subject to the Restrictions; and
- (16) the Borrower has not entered into nor signed any agreement with any person for or in relation to the procuring, negotiation, obtaining or application of the Loan, guaranteeing or securing the repayment of the Loan (other than an agreement with solicitors instructed by the Borrower for the provision of legal services solely (if any)).

11.2 The Borrower hereby further represents, warrants and agrees that each of the representations and warranties contained in Clause 11.1 shall be correct and complied with in all respects for so long as any part of the Loan or interest thereon or any other amounts payable hereunder or any of them remain outstanding and shall without prejudice to the foregoing be deemed to be repeated on the date on which the Drawing is made.

11.3 The Borrower hereby acknowledges that the Lender has agreed to make available the Facilities to the Borrower in reliance upon the representations and warranties contained in Clause 11.1.

11.4 The Borrower hereby further acknowledges and confirms that the Lender has explained to the Borrower all the terms of this Loan Agreement, in particular the terms in relation to repayment, namely:

- (1) the interest rate expressed as a rate per cent per annum and the total amount of interest payable under Clause 5 of this Loan Agreement;
- (2) amount of repayments, periodically and in total, under Clauses 5, 6, 7, 8 and 13.2 of this Loan Agreement;
- (3) the possible consequences for any default in repayment, including:
  - (a) the taking into possession and sale of secured shares involved; and
  - (b) any overriding right of the Lender to demand an immediate repayment.
- (4) the overriding right of the Lender to demand an immediate repayment under Clause 6.2.

## 12. COVENANTS

12.1 The Borrower hereby covenants and agrees with the Lender that so long as any part of the Loan or interest thereon or any other amounts payable hereunder remain outstanding, it shall (where applicable):

- (1) conduct and carry on the business of the Borrower in a proper manner and in accordance with their constitutional or governing documents;
- (2) promptly advise the Lender in writing of details of any litigation, arbitration or administrative proceeding which would have rendered the representation and warranty contained in Clause 11.1 incorrect had the same been current or threatened as at the date hereof immediately upon occurrence of the same;
- (3) keep proper records and books of account and prepare all financial statements in accordance to its usual practice;
- (4) deliver to the Lender within the period specified in any notice from the Lender, all such other information relating to the condition (financial or otherwise) of the Borrower as the Lender may request;
- (5) in all respects observe and comply with the covenants and obligations under this Loan Agreement and other documents to which the Borrower is a party;
- (6) procure or provide access to all the books and records of the Borrower at all reasonable times to the Lender and any persons nominated by the Lender who may take extract therefrom or take copies thereof for the purposes of evaluating the financial position of the Borrower;
- (7) obtain and promptly renew from time to time and comply with the terms of all consents, licences, approvals or authorisations of all governmental agencies of any country or state or political subdivision thereof required for in connection with the execution, delivery, performance, validity, enforceability and admissibility in evidence of this Loan Agreement and deliver or cause to be delivered to the Lender evidence of renewal of and compliance with the terms of all such consents, licences, approvals or authorisations;
- (8) not issue or create any obligation to issue or agree to issue any shares without the prior written consent of the Lender;
- (9) promptly advise the Lender upon becoming aware of (i) any Event of Default; or (ii) any material adverse factor which may inhibit the Borrower, Guarantor or Share Chargor in the performance of their respective obligations under the Transaction Documents;
- (10) comply with the terms and conditions of all applicable laws, regulations, agreements, licences and concessions in all material aspects at all times; and

12.2 The Borrower hereby covenants and agrees with the Lender that so long as any part of the Loan or interest thereon or any other amounts payable hereunder remain outstanding, it will

not, without the prior written consent of the Lender, take any action to bankrupt or liquidate itself.

### **13. EVENTS OF DEFAULT**

13.1 There shall be an Event of Default if any one of the following events shall have occurred or is continuing:

- (1) the Borrower fails to pay any amount due from it under this Loan Agreement in the manner specified herein on the due date for payment; or
- (2) the Borrower, Guarantor or Share Chargor fails to duly perform or observe any of its obligations or in breach of the covenants any of the Transaction Documents; or
- (3) any of the representations or warranties made or deemed to be made by the Borrower, Guarantor or Share Chargor in or in connection with any Transaction Documents pursuant hereto proves to have been untrue or incorrect when made or deemed to have been made; or
- (4) the Borrower becomes bound to repay prematurely any other loan or other obligation for borrowed money by reason of a default by it or if it fails to make any payment in respect thereof on a due date for such payment or becomes bound to make payment under any guarantee given by it by reason of a default by the principal debtor or if it fails to make any payment in respect thereof on the due date for such payment or any present or future security on or over any asset of the Borrower become enforceable; or
- (5) any decree or order is made by any competent court adjudging the Borrower insolvent or bankrupt under the insolvency or bankruptcy laws of any jurisdiction to which it may be subject or any order or application is made for the appointment of any liquidator, receiver, trustee, curator or sequestrator or other similar official of the Borrower in respect of all or a substantial part of its assets (save for the purposes of an amalgamation, merger or reconstruction not involving insolvency the terms of which shall have received the prior written approval of the Lender); or
- (6) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or any part of the assets of the Borrower and is not discharged or stayed within seven (7) days or a judgment of any court is not discharged within 30 days unless an appeal therefrom has been duly lodged during the said 30 day period and execution is stayed pending appeal; or
- (7) any consent, licence, approval or authorisation of any governmental agency of any country or state or political subdivision thereof required for or in connection with the execution, delivery, performance, legality, validity, enforceability or admissibility in evidence of this Loan Agreement is revoked or withheld or materially modified or otherwise ceases to be in full force and effect; or
- (8) this Loan Agreement ceases to be in full force and effect or the validity or

enforceability thereof or any indebtedness or any other obligation of the Borrower or other obligor hereunder or thereunder is disaffirmed by or on behalf of the Borrower or such obligor; or

- (9) any step is taken by any person for the liquidation or bankruptcy of the Borrower or Guarantor; or
- (10) the Borrower repudiates this Loan Agreement or does or causes to be done any act or thing evidencing an intention to repudiate this Loan Agreement or any action or proceeding of or before any court or authority shall be commenced (and not withdrawn or dismissed within a period of 14 days after its commencement) to enjoin or restrain the performance of and compliance with any obligations expressed to be assumed by the Borrower in this Loan Agreement or in any event to question the right and power of the Borrower to enter into, exercise its rights under and perform and comply with any obligations expressed to be assumed by any of it in this Loan Agreement or the legality, validity and enforceability of this Loan Agreement; or
- (11) it is or will become unlawful for the Borrower to perform or comply with any obligations under this Loan Agreement; or
- (12) anything is done or omitted by the Borrower which in the absolute opinion of the Lender, materially affects the ability of the Borrower to perform its obligations under this Loan Agreement; or
- (13) the Borrower having given notice fails to make prepayment hereunder or otherwise fails to make prepayment under clause 7.1; or
- (14) the Borrower defaults or receives notice of default under any agreement or obligation whether relating to borrowing or other matters or any indebtedness of the Borrower becomes payable, or capable of being, or is declared payable before its stated maturity or is not paid when due or any security interest, guarantee or other security now or hereafter created by the Borrower becomes enforceable; or
- (15) any other event or circumstance arises which, in the absolute opinion of the Lender, is likely and adversely to affect the ability of the Borrower to perform all or any of its obligations under or otherwise to comply with the terms of this Loan Agreement; or
- (16) the Borrower fails to comply in all material respects with, or does not diligently perform in all material respects any of its duties and obligations under, all applicable laws, rules, codes, regulations, consents, licences, approvals and authorisations; or

13.2 Without prejudice to Clause 6.2, upon the occurrence of an Event of Default and at any time thereafter, the Lender may by notice in writing to the Borrower declare the Loan, all interest accrued thereon and all other monies payable under this Loan Agreement to be forthwith due and payable whereupon the same shall be forthwith due and payable, and all the obligations of the Lender under this Loan Agreement shall lapse.

## **14. INDEMNITIES**

14.1 Without prejudice to any other right or remedy of the Lender, upon:

- (1) the occurrence of an Event of Default; and/or
- (2) any sums payable by the Borrower under this Loan Agreement not being paid when due, and at any time thereafter,

the Borrower shall pay to the Lender on demand such amount or amounts as shall fully indemnify the Lender against all losses, expenses and liabilities which the Lender may sustain or incur by reason of the occurrence of any of the foregoing, as permitted by law, including but not limited to any loss, expense, premium or penalties suffered or incurred by the Lender in liquidating or re-employing deposits from third parties acquired to effect or maintain the Loan or any part thereof.

## **15. FEES AND EXPENSES**

15.1 Each party shall bear its respective own costs and expenses (including legal fees) incurred in connection with the preparation, negotiation, execution and performance of this Loan Agreement.

## **16. CONFIDENTIALITY**

16.1 No public announcement or communication of any kind shall be made in respect of the subject matter of this Loan Agreement save for the announcement to be made by Global Mastermind Holdings Limited under Clause 3.1(1) of this Loan Agreement or unless specifically agreed between the parties or unless an announcement is required pursuant to the applicable law and the regulations or the requirements of the Stock Exchange or any other regulatory body or authority. Any announcement by any party required to be made pursuant to any relevant law or regulation or the requirements of the Stock Exchange or any other regulatory body or authority shall be issued only after such prior consultation with the other party as is reasonably practicable in the circumstances.

16.2 Each of the parties undertakes to the other of them that it will not, at any time after the date of this Loan Agreement, divulge or communicate to any person other than to its professional advisers, or when required by law, or to its respective officers or employees whose province it is to know the same any confidential information concerning the business, accounts, finance or contractual arrangements or other dealings, transactions or affairs of the other party which may be within or may come to its knowledge and it shall use its best endeavours to prevent the publication or disclosure of any such confidential information concerning such matters.

## **17. NOTICES**

17.1 All notices or communications required to be served or given pursuant to this Loan Agreement:

- (1) shall be in writing and may be sent by prepaid postage, mail (by airmail if to another country) or facsimile (but, if by facsimile from the Borrower, shall

promptly be confirmed by mail) or personal delivery;

- (2) shall be sent to the parties at the facsimile number or address from time to time designated in writing by that party to the other; the initial facsimile number and address so designated by each party being set out in Schedule 1;
- (3) if sent by the Borrower shall be irrevocable and shall not be effective until actually received by the Lender;
- (4) if sent to the Borrower shall be deemed to have been given and received by the Borrower (a) within three (3) days after the date of posting, if sent by mail; (b) when delivered, if delivered by hand; and (c) on despatch, if sent by facsimile; and
- (5) shall be in the English language.

## **18. MISCELLANEOUS**

18.1 A certificate issued by the Lender as to any sum payable by the Borrower under this Loan Agreement and any other certificate, determination, notification or opinion of the Lender provided for in this Loan Agreement shall, in the absence of manifest error, be conclusive evidence against the Borrower.

18.2 If at any time any provision hereof is or becomes illegal, invalid or unenforceable in any respect under the laws of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions hereof nor the legality, validity or enforceability of such provision under the laws of any other jurisdiction shall in any way be affected or impaired thereby.

18.3 Save as may be expressly otherwise provided herein, time is of the essence of this Loan Agreement but no failure or delay on the part of the Lender to exercise any power, right or remedy hereunder shall operate as a waiver thereof nor shall a waiver by the Lender of any particular default by the Borrower affect or prejudice the right, power or remedy of the Lender in respect of any other default or any subsequent default of the same or a different kind nor shall any single or partial exercise by the Lender of any power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any power, right or remedy.

18.4 No power, right or remedy conferred under this Loan Agreement upon the Lender is intended to be exclusive of any other power, right or remedy but shall be cumulative and shall be in addition to every other power and remedy now or hereafter existing at law, in equity, by statute or contract or otherwise.

18.5 No waiver of any Event of Default shall be effective unless in writing signed by the Lender.

18.6 This Loan Agreement may not be amended save in writing duly signed by all parties hereto and thereto.

18.7 The Lender may grant waivers, consents or indulgence in respect of any one or more obligations of or conditions or requirements imposed on or applied to the Borrower under or in connection with this Loan Agreement including without limitation any condition or



requirement applicable to the making of a Drawing, or prepayment of the Loan and any such waiver, consents or indulgence may be given subject to such terms and conditions as may be imposed by the Lender.

18.8 The Borrower and the Lender hereby declare that the place of negotiation and completion of this Loan Agreement is Unit 1202, Shun Tak Centre, West Tower, 168-200 Connaught Road Central, Hong Kong.

18.9 The Borrower hereby acknowledges receipt of a summary of the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) in the prescribed form as set out in Schedule 3 to the Money Lenders Regulations (Cap. 163A of the Laws of Hong Kong) in Schedule 3 to this Loan Agreement.

## **19. ASSIGNMENT**

19.1 This Loan Agreement shall enure to the benefit of the parties hereto and their respective successors, assignees and transferees.

19.2 The Borrower may not assign any of its rights or obligations under this Loan Agreement.

19.3 The Lender may at any time without the consent of or notice of the Borrower assign its rights and benefits hereunder or any part thereof to any one or more persons on such terms and conditions as it may deem fit.

## **20. LAW AND JURISDICTION**

20.1 This Loan Agreement shall be governed by and construed in accordance with the laws of Hong Kong.

20.2 The Borrower hereby irrevocably submits to the jurisdiction of the courts of Hong Kong and of any country in which it has assets and hereby irrevocably waives any objection to any proceedings in any such courts on the basis of forum non conveniens. The Borrower agrees that a judgment in any proceedings brought in any such courts may be enforced in any other jurisdiction by suit on the judgment or in any other manner permitted by law.

20.3 The submission in Clause 20 is non-exclusive and the Lender reserves the right to proceed in any other jurisdiction having or claiming or accepting jurisdiction in respect thereto.

**IN WITNESS** hereof the parties hereto have duly executed this Loan Agreement as a deed the day and year first above written.

**Schedule 1**

**Address and Facsimile Number for Notification**

<u>Party</u>	<u>Address</u>	<u>Facsimile number</u>
The Borrower	Unit B, 1/F., Gee Luen Chang Industrial Building, No. 11 Yuk Yat Street, To Kwa Wan, Hong Kong	N/A
The Lender	Unit 1202, Shun Tak Centre West Tower 168-200 Connaught Road Central Hong Kong	2548-5572

**Schedule 2**

**Notice of Drawing**

To: **Global Mastermind Financial Services Limited**

We refer to the loan agreement dated 17<sup>th</sup> May 2022 (the “**Loan Agreement**”) pursuant to which you have agreed to make available the Facilities of up to HK\$17,000,000 to us.

We hereby:

- (1) give you notice that we intend to make a drawing of HK\$[•] on [•];
- (2) certify that no Event of Default or condition, act or event which, with the giving of notice or lapse of time or both or the fulfillment of any other condition would constitute an Event of Default has occurred, is continuing or would result from the drawing requested hereunder; and
- (3) represent and warrant that the representations and warranties set out in Clause 11 of the Loan Agreement are true and correct on the date hereof with reference to the facts and circumstances now existing.

We hereby irrevocably authorise and direct you to credit all the proceeds of the drawing under the Loan to account no. • maintained by [•] with [•]. Acknowledge receipt by the recipient shall be deemed as our recipient of the drawdown sum.

Expressions capitalised and not defined in this Notice of Drawing shall have the meanings attributed thereto in the Loan Agreement.

For and on behalf of  
Nam Pei Hong Sum Yung Drugs Company Limited

\_\_\_\_\_  
Name:

Date:

### Schedule 3

#### The Money Lenders Ordinance

The provisions of the Money Lenders Ordinance summarized below are important for the protection of all the parties to a loan agreement, and should be read carefully. The summary is not part of the law, and reference should be made to the provisions of the Ordinance itself in case of doubt.

#### Summary of Part III of the Ordinance-Money lenders transactions

Section 18 sets out the requirements relating to loans made by a money lender. Every agreement for a loan must be put into writing and signed by the borrower within 7 days of making the agreement and before the money is lent. A copy of the signed note of the agreement must be given to the borrower, with a copy of this summary, at the time of signing. The signed note must contain full details of the loan, including the terms of repayment, the form of security and the rate of interest. An agreement which does not comply with the requirements will be unenforceable, except where a court is satisfied that it would be unjust not to enforce it.

Section 19 provides that a money lender must, if requested in writing and on payment of the prescribed fee for expenses, give the original and a copy of a written statement of a borrower's current position under a loan agreement, including how much has been paid, how much is due or will be due, and the rate of interest. The borrower must endorse on the copy of the statement words to the effect that he has received the original of the written statement and return the copy as so endorsed to the money lender. The money lender must retain the copy of the statement so returned during the continuance of the agreement to which that statement relates. If the money lender does not do so he commits an offence. The money lender must also, upon a request in writing, supply a copy of any document relating to the loan or security. But a request cannot be made more than once per month. Interest is not payable for so long as the money lender, without good reason, fails to comply with any request mentioned in this paragraph.

Section 20 provides that the surety, unless he is also the borrower, must within 7 days of making the agreement be given a copy of the signed note of the agreement, a copy of the security instrument (if any) and a statement with details of the total amount payable. The money lender must also give the surety, upon request in writing at any time (but not more than once per month) a signed statement showing details of the total sum paid and remaining to be paid. The security is not enforceable for so long as the money lender, without good reason, fails to comply.

Section 21 provides that a borrower may at any time, on giving written notice, repay a loan together with interest to the date of repayment, and no higher rate of interest may be charged for early repayment.

This provision, however, will not apply where the money lender is recognized, or is a member of an association recognized, by the Financial Secretary by notice in the Gazette in force under section 33A(4) of the Ordinance.

Section 22 states that a loan agreement is illegal if it provides for the payment of compound interest, or provides that a loan may not be repaid by instalments. A loan agreement is also illegal if it charges a higher rate of interest on amounts due but not paid, although it may provide for charging simple interest on that part of the principal and interest outstanding at a rate not

exceeding the rate payable apart from any default. The illegal agreement may, however, be declared legal in whole or in part by a court if the court is satisfied that it would be unjust if the agreement were illegal because it did not comply with this section.

Section 23 declares that a loan agreement with a money lender and any security given for the loan will not be enforceable if the money lender was unlicensed at the time of making the agreement or taking the security. The loan agreement or security may, however, be declared enforceable in whole or in part by a court if the court is satisfied that it would be unjust if the agreement or security were unenforceable by virtue of this section.

#### Summary of Part IV of the Ordinance-Excessive interest rates

Section 24 fixes the maximum effective rate of interest on any loan at 60% per annum (the "effective rate" is to be calculated in accordance with the Second Schedule to the Ordinance). A loan agreement providing for a higher effective rate will be unenforceable and the lender will be liable to prosecution. This maximum rate may be changed by the Legislative Council but not so as to affect existing agreements. The section does not apply to any loan made to a company which has a paid up share capital of not less than \$1000000 or, in respect of any such loan, to any person who makes that loan.

Section 25 provides that where court proceedings are taken to enforce a loan agreement or security for a loan or where a borrower or surety himself applies to a court for relief, the court may look at the terms of the agreement to see whether the terms are grossly unfair or exorbitant (an effective rate of interest exceeding 48% per annum or such other rate as is fixed by the Legislative Council, may be presumed, on that ground alone, to be exorbitant), and, taking into account all the circumstances, it may alter the terms of the agreement in such a manner as to be fair to all parties. The section does not apply to any loan made to a company which has a paid up share capital of not less than \$1000000 or, in respect of any such loan, to any person who makes that l

**THE BORROWER**

**SIGNED** by )

for and on behalf of )

**NAM PEI HONG SUM** )  
**YUNG DRUGS COMPANY LIMITED** )

in the presence of: )  
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)  
)



**THE LENDER**

**SIGNED** by )

for and on behalf of )

**GLOBAL MASTERMIND** )  
**FINANCIAL SERVICES LIMITED** )

in the presence of: )  
)  
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