

Dated this 24th September 2021

**HENTER FINANCE LIMITED
(the “Lender”)**

and

**ZHANG XUEQIN 張學勤
(the “Borrower”)**

LOAN AGREEMENT

This Agreement is made on 24th September 2021

BETWEEN

- (1) **HENTER FINANCE LIMITED** (衡泰財務有限公司), a company incorporated in Hong Kong (CR No.: 2223959) carrying on its business at Room 2806, Singa Commercial Centre, 148 Connaught Road West, Hong Kong (the “**Lender**”); and
- (2) **ZHANG XUEQIN** (張學勤), PRC ID No.: 441900197108260415 of No. B40, Zhu Shan Qian Wu Shan Zhuang, Dongcheng District, Dongguan, Guangdong Province, The People’s Republic of China (中國廣東省東莞市東城區主山錢屋山庄 B40) (the “**Borrower**”).

WHEREAS:-

- (1) The Lender is a Money Lender licensed under the Money Lender’s Ordinance Cap. 163.
- (2) The Borrower has requested the Lender to grant to it a loan in the principal amount of Hong Kong Dollars TWENTY SEVEN MILLION only (HK\$27,000,000) (the “**Loan**”) and the Lender has agreed to advance the Loan to the Borrower upon the terms and conditions set out hereinbelow.

WHEREBY IT IS AGREED as follows:-

1. ADVANCE OF LOAN

- 1.1 The Lender agrees to grant to the Borrower and the Borrower agrees to borrow from the Lender the Loan according to the terms and conditions set out in this Agreement including the First Schedule hereto.

2. TERM OF THE LOAN

- 2.1 In consideration of the Loan, the Borrower hereby covenants with the Lender that the Borrower shall repay the Loan and interest thereon at the interest rate set out in the First Schedule hereto and all other monies and obligations in respect of monies which the Borrower covenants to pay to the Lender under this Agreement in full.
- 2.2 The term of the Loan shall commence on and from the date of execution of loan

drawdown until the Repayment Date (as set out in the FIRST SCHEDULE), the Early Repayment Date (as defined in Clause 4.2) or upon all Loan and interest thereon and all other monies payable thereunder are settled in full (the “Term”).

- 2.3 If default is made in the payment upon the due date of any sum payable to the Lender under this Agreement, whether in respect of principal or interest, the Lender shall be entitled to charge simple interest on that sum from the date of the default until the sum is paid at the interest rate set out in the First Schedule hereto (before and after the date of judgment in any legal proceedings instituted by the Lender for recovering any or whole of the Loan). Upon happening of such event, the Lender will be entitled to declare termination of this Agreement (without being obliged to give prior written notice) and call for immediate repayment of the Loan and interest thereon and all other monies payable thereunder covenanted under this Agreement.

3. AVAILABILITY AND DRAWDOWN OF THE LOAN

- 3.1 The Loan shall be made available by the Lender to the Borrower on the loan drawdown date of this Agreement by the Lender issuing and delivering a cheque in the amount of the Loan made payable to “Zhang Xueqin 張學勤”.
- 3.2 The drawdown of the Loan shall be on 27th September 2021.

4. REPAYMENT DATE AND EARLY REPAYMENT DATE

- 4.1 Subject to Clauses 5 and 4.2 below, the Loan and interest thereon accrued and unpaid shall be repaid and settled to the Lender in full without deduction on or before the Repayment Date (as set out in the FIRST SCHEDULE) to the Lender (i) by cheque or (ii) by bank wire transfer in immediately available funds to the following bank account of the Lender (or any other bank account as specified by the Lender by giving five calendar days’ prior written notice to the Borrower):-

Bank account no.: 009-636-013501340
Bank account holder: HENTER FINANCE LIMITED
Bank: China Construction Bank (Asia) Corporation Ltd.

Or

Bank account no.: 382-567-101447202
Bank account holder: HENTER FINANCE LIMITED

Bank: Bank of Communications (Hong Kong) Limited

4.2 The Borrower shall be entitled to early repayment of the outstanding Loan (together with interest thereon and all other monies payable hereunder) calculated up to the date of payment at any time and the Lender shall be entitled to call the outstanding Loan (together with interest thereon and all other monies payable hereunder) calculated up to the date of payment at any time (the “**Early Repayment**”) provided that the Borrower or the Lender shall have given to the other party not less than 30 calendar days’ prior written notice stating the proposed payment date (the “**Early Repayment Date**”).

4.3 Provided that the Borrower or the Lender shall have given sufficient written notice in accordance with Clause 4.2, neither the Borrower nor the Lender shall be subject to any penalty for requesting Early Repayment.

5. EVENT OF DEFAULT

Upon the occurrence of any one or more of the following events (the “**Event of Default**”), any outstanding balance of all monies payable under this Agreement shall become immediately due and payable by the Borrower and the Lender is entitled to (whether demanded or not) recover from the Borrower all costs and expenses incurred therefrom:-

- (a) the non-payment by the Borrower of the Loan, interest, fees or any other amounts payable hereunder when any of the items falls due;
- (b) any default, breach, non-compliance or non-observance by the Borrower of any of the terms and conditions of this Agreement;
- (c) any execution, appointment of liquidator, receiver, trustee or similar official is made or threatened against the Borrower;
- (d) any petition or order for bankruptcy or liquidation is made or threatened against the Borrower;
- (e) any of the Borrower’s representation, warranty, undertaking or statement made in this Agreement or any incidental document is not complied with or is found to have been incorrect in any respect on the date of this Agreement or at any time thereafter before the full repayment of the Loan

and interest thereon and all other monies payable hereunder;

- (f) the Borrower commences any act of bankruptcy/winding up proceedings or the assets or any part thereof of the Borrower is taken over by a receiver or the Borrower shall convene a meeting of, or propose to enter into any arrangement or composition for the benefit of its creditors generally;
- (g) the Borrower is unable to pay any debt owing to any of the Borrower's creditors when due; or
- (h) any other situation or happening which in the opinion of the Lender may affect the ability of the Borrower to perform his obligations hereunder.

6. INDEMNITY

- 6.1 The Borrower shall fully indemnify and hold the Lender harmless against all legal costs, charges and expenses in exercising the Lender's rights, powers or in suing for or seeking to recover any sums due or preserving or enforcing the Lender's rights or defending any claims against the Borrower or pursuant to the terms of this Agreement (including but not limited to employ or appoint debt collection agencies to recover debts, to retain solicitors to commence legal action).
- 6.2 If for any reason whatsoever the Lender is or may become liable to pay any tax or levies (including withholding tax, but excluding normal profits tax of the Lender) or the cost of the Lender in providing or obtaining funds for the Loan, the Borrower shall indemnify the Lender in full against such taxes, levies or increased costs and the Borrower shall upon demand by the Lender pay the same to the Lender.

7. REPRESENTATIONS AND WARRANTIES

- 7.1 The Borrower hereby represents and warrants to the Lender as follows:-
 - (a) this Agreement constitutes or will constitute, when executed, the legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms;
 - (b) all approvals, consents and requirements of all government bodies,

competent regulatory authorities or applicable laws/regulations for or in connection with the execution, delivery, performance, legality, validity, enforceability and admissibility in evidence of this Agreement have been obtained and complied with and all such authorisations, approvals and consents are in full force and effect;

- (c) save as disclosed by the Borrower, no action, suit or proceeding is pending or threatened against the Borrower before any court, board of arbitration or administrative agency which could or might have a material adverse effect on the ability of the Borrower to perform any of its obligations under this Agreement;
- (d) the Borrower has not taken any action for liquidation and no steps have been taken or proceedings started or is threatened for the liquidation of the Borrower or for the appointment of trustee or similar officer of the Borrower;
- (e) the Borrower is not in default or has 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 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 fulfillment of any other condition would constitute such a default or breach having an adverse effect on its financial conditions;
- (f) the obligations of the Borrower under this Agreement rank and will continue to rank at least *pari passu* with its existing and future unsecured and unsubordinated obligations except as otherwise provided by the relevant insolvency legislation affecting the rights of creditors generally;
- (g) the Borrower is not required to make any deduction or withholding from amounts payable under this Agreement for or on account of any taxes now or hereafter imposed by any taxing authority;
- (h) the Borrower is not aware of any material facts or circumstances that have not been disclosed to the Lender and which might, if disclosed, adversely affect the decision of a person considering whether or not to provide the Loan to the Borrower.; and
- (i) no Event of Default has occurred or will occur as a result of the

Borrower's entering into this Agreement.

7.2 The Borrower hereby further represents, warrants and agrees that each of the representations and warranties contained in this Clause 7 shall be correct and complied with in all respects for so long as any part of the Loan and interest thereon and all other monies payable hereunder or any of them remain outstanding and shall without prejudice to the foregoing be deemed to be repeated every day during the Term.

7.3 The Borrower undertakes that so long as any amount is or may be outstanding under this Agreement, the Borrower shall promptly upon becoming aware of it, notify the Lender of any event or thing which would be likely to materially or adversely affect the ability of the Borrower to perform its obligations under this Agreement.

8. MISCELLANEOUS

8.1 This Agreement shall ensure to the benefit of the parties hereto and their respective successors, assignees and transferees.

8.2 The Borrower may not assign any of its rights or obligations under this Agreement. The Lender may at any time and without requiring the consent of the Borrower assign or transfer all or any of its rights, benefits, and obligations hereunder and the Borrower hereunder agree to execute such documents and do all such acts and things as the Lender may require to give full effect to such assignments or transfers.

8.3 Following any default or breach of any terms and conditions of this Agreement, and notwithstanding any provision herein, the Lender shall be entitled to (without being obliged to give prior written notice) appoint any person as its agent to collect all outstanding principal and interest thereon payable under this Agreement and/or to retain solicitors to commence legal action for recovery thereof. In that event, the Borrower should bear and indemnify the Lender against all costs and expenses incurred by the debt collection agency and/or solicitors arising from the above-said action on full indemnity basis.

8.4 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.

- 8.5 (a) References to any clause, recital and schedule are (unless otherwise stated) references to a clause, recital and schedule to this Agreement. The schedules and recitals hereto shall form part of this Agreement.
- (b) Words importing the masculine gender shall include the feminine and neuter and vice versa; the singular number shall include the plural (where applicable), and vice versa; a person shall include a person, body corporate, partnership and unincorporated associations and vice versa.
- (c) The headings are for reference only and shall not be taken into account in the construction or interpretation of any provisions to which they refer.
- 8.6 Save as otherwise provided herein, time is of the essence of this Agreement but no waiver by the Lender of a failure by the Borrower to perform any provision of this Agreement operates or is to be construed as a waiver in respect of the failure or any other failure, whether of a like or different character, nor will it prejudice, affect or restrict any of the rights and powers of the Lender under this Agreement.
- 8.7 This Agreement may not be amended save in writing duly signed by all parties hereto and thereto.
- 8.8 (a) Any notice or other communication given or to be given pursuant to this Agreement shall be in writing sent or delivered to the recipient at the address set out below or such other address or fax number as the addressee may by five (5) calendar days' prior written notice specify to the other party:

Lender:	Address	:	Room 2806, Singga Commercial Centre, 148 Connaught Road West, Hong Kong
	Attention	:	Mr. Eric Tam
Borrower:	Address	:	No. B40, 1, Zhu Shan Qian Wu Shan Zhuang, Dongcheng District, Dongguan, Guangdong Province, The People's Republic of China (中國廣東省東莞市東城區主山錢屋山庄 B40)
	Attention	:	Mr. Zhang Xueqin

- (b) Reference in this Clause to writing shall include a notice or

communication by facsimile transmission provided that the transmission is confirmed by the facsimile transmission advice of the sender.

- (c) Any notice or other communication shall be deemed to have been received (if sent by facsimile transmission) at the time of transmission or (if delivered personally) when delivered or (if sent by prepaid local registered post) on the second Business Day after the date of posting or (if sent by prepaid overseas registered post) on the seventh Business Day after the date of posting. In proving service of any notice or communication given under this Agreement, it will be sufficient to prove, in the case of a letter, that such letter was properly stamped, addressed and placed in the post and, in the case of facsimile transmission, a correct transmission report is received by the sender.
- (d) For the purpose of this Clause 8.8, "**Business Day**" shall mean any day on which banks in Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**") are open for business generally throughout their normal business hours, except a Saturday or a Sunday.

- 8.9 This Agreement may be executed in any number of counterparts, each of which when executed and delivered is an original and all of which together evidence the same agreement.
- 8.10 This Agreement constitutes the entire agreement and supersedes any previous agreements between the parties relating to the subject matter of this Agreement.
- 8.11 This Agreement shall be governed by and construed in all respects in accordance with the laws of Hong Kong and the parties hereto agree to submit to the non-exclusive jurisdiction of the Courts of Hong Kong.

FIRST SCHEDULE

- (a) The amount of Loan: HONG KONG DOLLARS TWENTY SEVEN MILLION ONLY (HK\$27,000,000)
- (b) The date of making of Loan: On execution date of this Agreement.
- (c) The date of drawdown of Loan: On execution date of this Agreement.
- (d) Interest rate: 4% per annum.
- (e) Overdue interest rate: 4% per annum accrued on a day to day basis on any sum which is not paid when due.
- (f) Repayment Date: The Loan together with interest thereon is to be repaid in 12 consecutive monthly installments, commencing one month after the date of Drawdown. Notwithstanding the foregoing arrangement, the Loan is subject to the Lender's overriding right to repayment on demand of all principal and interest of the Loan actually or contingently owing to the Lender.
- (g) The terms of payment of the interests and repayment of the Loan:
- Interest: The accrued interest on the Loan calculated as aforesaid shall be payable monthly in arrears on the last day of each month commencing on and following the execution date of this Agreement until full repayment of the Loan (if any such day is not a Business Day, the following Business Day) (the "**Interest Payment Date**"). If the accrued interest payable on the Interest Payment Date does not cover a full calendar month, a pro-rata percentage is calculated automatically for the accrued interest payable for that particular month.

- Loan: The Loan (together with any accrued and unpaid interest hereon) shall be payable in full on the Repayment Date, Early Repayment Date (in the case of Early Repayment) or on demand (in the case of default) until full repayment thereof.
- (h) Form of security for the Loan: The Loan shall be secured by the following:
(1) An all monies legal charge in form acceptable to the Lender on the Property to be executed in favour of the Lender by the Mortgagor subject to approval of title by the Lender's solicitors;
(2) Any other form of security as the Lender may from time to time request, the value of which shall be determined by the Lender at its absolute discretion.
- (i) Place of negotiation of the Loan: Room 2806, 28/F, Singga Commercial Centre, 148 Connaught Road West, Hong Kong
- (j) Place of completion of the Loan: Room 2806, 28/F, Singga Commercial Centre, 148 Connaught Road West, Hong Kong

SECOND SCHEDULE
("The Property")

IN WITNESS whereof this Agreement was entered into the day and year first
above written.

SIGNED by)
the duly authorized person for and on behalf of)
HENTER FINANCE LIMITED)
as the Lender)
in the presence of:-)

For and on behalf of
HENTER FINANCE LIMITED
衡泰財務有限公司

.....
Authorized Signature(s)

SIGNED by)
the duly authorized person for and on behalf of)
ZHANG XUEQIN)
as the Borrower)
in the presence of:-)

