

LOAN AGREEMENT

BETWEEN

MING FAI HOLDINGS LIMITED

AND

MR. CHING TSUNWAH

DATED THE *16th* DAY OF *June* 2021

R&T SOK & HENG | *Cambodia*

THIS LOAN AGREEMENT (the "Agreement") is made on the 16th day of June 2021 by and between the following parties:

- 1) **Ming Fai Holdings Limited**, a company incorporated under the laws of the British Virgin Islands, having the company registration number 1403419 and its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (herein referred to as the "**Lender**"); and
- 2) **Mr. Ching Tsunwah**, holding Cambodian ID Card no. 011356145 dated 13 September 2019, residing at Unit D3, 8/F, TML Tower, No.3 Hoi Shing Road, Tsuen Wan, Hong Kong (herein referred to as the "**Borrower**").

The Lender and the Borrower are collectively referred to as the "**Parties**" and individually referred to as a "**Party**".

RECITALS

Whereas the Borrower has acquired 51% of the equity interests of **Ming Fai Quality Amenities (Cambodia) Co., Ltd.**, a private limited company incorporated under the laws of Cambodia and registered with the Ministry of Commerce with registration no. 00029475 dated 24 November 2017, having the registered address at National Road No. 41 (Ang Duong Road), Veal Vong Village, Sen Dei Commune, Samraong Tong District, Kampong Speu Province, the Kingdom of Cambodia (herein referred to as the "**Company**"); and

Whereas the Borrower intends to take and the Lender intends to provide a loan from the Lender to the Borrower in order to partly finance his acquisition of the above-mentioned 51% of the equity interests of the Company.

NOW THEREFORE, in consideration of the foregoing and mutual promises, covenants, and agreements contained in this Agreement, the Parties hereby agree on the terms and conditions as follows:

Clause 1 - DEFINITIONS

Words and expressions defined in the Loan Agreement shall have the same meaning when used in this Agreement unless otherwise defined herein or elsewhere in this Agreement:

"Agreement"	:	means this Loan Agreement;
"Business Day" or "working day"	:	means a day that is not Saturday, Sunday, a public holiday or a bank holiday in Phnom Penh, the Kingdom of Cambodia and Hong Kong;
"Event of Default"	:	means an event of default as defined in Clause 8.1 below;
"Loan"	:	has the meaning as provided in Clause 2 below;
"Repayment Date"	:	has the meaning as provided in Clause 3.2.1 below;
"Secured Transaction Filing Office"	:	means the Secured Transaction Filing Office of Ministry of Commerce of the Kingdom of Cambodia (" MOC ");
"USD or US\$"	:	means the lawful currency of the United States of America.



Clause 2 - LOAN

2.1 Loan Amount

The lender has made available and provided to the Borrower an amount of **USD 2,500,000 (two million five hundred thousand US dollars)** on an interest-free basis on the date of signing this Agreement (herein referred to as the "**Loan**"), on the terms and conditions of this Agreement.

2.2 Disbursement of the Loan

Upon the execution of this Agreement, the Lender has disbursed the Loan in full and correct amount to the Borrower and the Borrower hereby acknowledges and confirms to have received the Loan in full and correct amount from the Lender.

2.3 Use of the Loan

The Borrower shall use the Loan provided on the terms and conditions of this Agreement strictly for the sole purpose of payment for the acquisition of 51% of the equity interests of the Company.

Clause 3 - TERM AND REPAYMENT OF THE LOAN

3.1 Term of the Loan

It is hereby agreed by the Parties that this Loan shall be valid and effective from the date of signing this Agreement until the date when this Agreement is terminated (herein referred to as the "**Term**").

3.2 Repayment of the Loan

3.2.1 The Parties hereby agree that the Borrower shall repay the Indebtedness as defined below in **Clause 3.2.3** back to the Lender at the end of the Term or at any time prior to the end of the Term upon the request of the Lender (herein referred to as the "**Repayment Date**").

3.2.2 The Repayment Date will also be triggered if:

- (a) the Borrower ceases to be the shareholder of the Company; or
- (b) the term of the Company is reached (to disband); or
- (c) the occurrence of the event defined in **Clause 9.3**;

whichever comes earlier.

3.2.3 It is hereby solemnly and irrevocably agreed by the Parties that the Borrower shall only repay the Loan, including any, taxes, charges, indemnities, fees, costs and any expenses and all obligations and liabilities in relation to the Loan under this Agreement to the Lender by way of transferring of **3,825,000 (three million eight hundred and twenty five thousand)** ordinary shares equivalent to 51% of the equity interests of the Company held by the Borrower, and any and all shares held by the Borrower which accounts for 51% of the equity interests of the Company (herein referred to as the "**Shares**") to the Lender or to any other person to be designated by the Lender (herein referred to as the "**Indebtedness**"). The transfer of the Shares by the Borrower to the



Lender, or the person designated by the Lender, will fully and finally settle the Indebtedness of the Borrower to the Lender under this Agreement and the Borrower will be fully and finally released from any and all of its obligations and liabilities to the Lender arising under or in connection with this Agreement, the Shares or the Borrower's shareholding in the Company. For the avoidance of doubt, the Loan will not be repaid in cash.

- 3.2.4 For the purpose of the repayment of the Indebtedness, the Borrower undertakes to do all things necessary to affect the transfer of the Shares and to register such Shares in the name of the Lender or any of its appointees within no later than 30 (thirty) Business Days from the Repayment Date. Without limitation, this shall include the signing of all necessary documents, including without limitation the share transfer application form to be filed with MOC, and competent tax authorities and shall fully cooperate with the Lender in order to perfect the transfer of Shares, including without limitation to appearing at the MOC in person to sign before the MOC officials and competent tax authorities as requested by the Lender.

Clause 4 - OBLIGATION OF THE BORROWER

- 4.1 Upon the execution of this Agreement, the Borrower may enter into with the Lender all necessary documents, including without limitation the share pledge agreement as specified under **Clause 5** below.
- 4.2 The Borrower shall act in good faith and constructive manner such as to give effect to the provisions of this Agreement and to use his best endeavours to ensure and maintain his entitlement to be the registered owner of the Shares throughout the term of this Agreement.
- 4.3 The Borrower shall fulfill and comply with any and all agreements, covenants, obligations, representations and warranties as specified in this Agreement.

Clause 5 - SECURITY

5.1 Security for the Repayment of the Indebtedness

- 5.1.1 For the purpose of securing the repayment of the Indebtedness and the observance of the obligations and undertakings hereunder, the Borrower agrees to ensure and secure and provide the pledge of Shares in the Company held by the Borrower in the favor of the Lender (herein referred to as the "**Security**") per the Share Pledge Agreement to be entered into between the Parties and endorsed by the Company (herein referred to as the "**Share Pledge Agreement**") and to be filed with the Secured Transactions Filing Office ("**SeTFO**") of the MOC.
- 5.1.2 The Borrower shall take necessary actions including without limitation signing and affixing of fingerprints on the Share Pledge Agreement and any other document as well as procuring the Company's approval in order to secure the obligations and undertakings of the Borrower and registration of such security.

Clause 6 - REPRESENTATIONS AND WARRANTIES OF THE BORROWER

- 6.1 The Borrower hereby represents and warrants to the Lender that:
- (a) The Borrower has the power and authority to execute and perform this Agreement. The execution and/or performance of this Agreement by the



Borrower does not or will not exceed the power or authority granted to it or violate any agreements to which it is a party;

- (b) This Agreement constitutes legal, valid and binding obligations of the Borrower;
- (c) No Event of Default or potential Event of Default or breach of any law has occurred; and
- (d) No litigation, arbitration or administrative proceeding or claim, which might by itself or together with any other such proceedings or claims is presently in progress or pending or threatened against the Borrower that may either have an adverse effect on the business or financial position of the Borrower, or adversely affect its ability to observe or perform its obligations under this Agreement.

6.2 The representations and warranties of the Borrower set out in this Agreement shall be correct and complied with in all material respects and shall be deemed to be made every calendar day afterwards until the Indebtedness is fully repaid in accordance with this Agreement.

Clause 7 - NOTICE

7.1 Any notices or communications required or permitted to be given under this Agreement ("**Notices**") shall be made and given in writing to the addresses of the Parties as detailed as follows:

The Lender:

Ming Fai Holdings Limited

Contact person: Mr. **Ching Tsunwah**

Address: Unit D3, 8/F, TML Tower, No.3 Hoi Shing Road, Tsuen Wan, Hong Kong.

Email: tommy.ching@mingfaigroup.com

The Borrower:

Name: Mr. **Ching Tsunwah**

Address: Unit D3, 8/F, TML Tower, No.3 Hoi Shing Road, Tsuen Wan, Hong Kong.

Email: tommy.ching@mingfaigroup.com

Or to such other addresses which the Parties may change and as from time to time may have been notified to each other.

7.2 Such other addresses which any Party wish to change shall be signed by authorized personnel of that Party in order to be valid.

7.3 All Notices shall be deemed to have been duly given by the Party sending the Notice and received by the Party to which the Notice is given either:

- (a) on the day of delivery, if delivery is by hand addressed to the recipient at its address noted in **Clause 7.1**;
- (b) at the time of transmission, if transmitted by facsimile or sent by email, provided that it is proved by a facsimile report and, if sent by email, there is no notice of failure of delivery received by the sender. However, if the Notice is sent on a



weekend or after 2.00 PM (Hong Kong time) (recipient time based) of a working day, the Notice is considered to be received on the next working day; or

- (c) the day which is seven working days after the sender has given the Notice to the courier company, if the Notice is to be delivered to the recipient by a courier.

Clause 8 - EVENTS AND CONSEQUENCES OF DEFAULT

8.1 Events of Default

An event of default shall mean any material breach of, or failure to perform, any obligations, responsibilities, covenants, and/or representations and warranties, under this Agreement by the Borrower including any of the following (the "**Event of Default**"):

- (a) The Loan is used for a purpose other than as set out in **Clause 2.3** of this Agreement;
- (b) Any representation, warranty or statement which is made by the Borrower in this Agreement proves to be incorrect or inaccurate in any material respect;
- (c) Any law is brought into effect which purports to render ineffective or invalid any provision of this Agreement or which would prevent the Borrower from performing any of their respective obligations;
- (d) The Borrower fails to repay the Indebtedness to the Lender in accordance with the terms and conditions as specified in **Clause 3.2** above,
- (e) The Borrower fails to comply with any provision of this Agreement and such default is not remedied within 30 days after written notification on such default from the Lender to the Borrower; or
- (f) The occurrence of the event described in **Clause 9.7** below.

8.2 Consequences of Default

Upon the occurrence of any Event of Default by the Borrower, the Lender shall be entitled to:

- (a) Require that the Indebtedness become immediately due and be fully repaid;
- (b) Require the Borrower to relinquish any and all of its rights, interest, and entitlement, both legal and beneficial, in relation to or in connection with the Shares held by it in the Company in favor of the Lender and to transfer such Shares to the Lender and/or the person to be designated by the Lender; and/or
- (c) Exercise any and all of the remedies available to it whether pursuant to this Agreement and/or the applicable laws and shall be entitled to exercise such remedies to force execution of the transfer of the Shares to the Lender and/or its appointees, and to terminate this Agreement.



Clause 9 - MISCELLANEOUS

9.1 Schedules and Annexures

Each schedule and annexure to this Agreement, if any, shall form an integral part of this Agreement effectively binding the Lender and the Borrower. No amendment, alteration, modification of, or addition to the Agreement will be valid or binding unless expressed in writing and signed by the Lender and the Borrower.

9.2 Entire Agreement

This Agreement constitutes the entire agreement and understanding between the Parties with respect to its subject matter and replaces and supersedes all prior agreements, arrangements, undertakings or statements regarding such subject matter.

9.3 Termination of the Agreement

The Parties hereby agree that this Agreement may be terminated by the Lender if:

- (a) the Borrower ceases to be the shareholder of the Company; or
- (b) the term of the Company is reached (to disband); or
- (c) the occurrence of the event defined in **Clause 9.3**;

9.4 Amendment

No variation of this Agreement shall be effective unless made in writing and signed by all the Parties hereto.

9.5 Severability

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be unenforceable or invalid under applicable law, such provision shall be ineffective only to the extent of such unenforceability or invalidity, and the remaining provisions of this Agreement shall continue to be binding and in full force and effect.

9.6 Assignment and Transfer

The Borrower may not assign any of his rights or transfer by novation any rights or obligations under this Agreement without the prior written consent of the Lender.

9.7 Death, Bankruptcy or Incapacitation

In the event of death, bankruptcy or incapacitation of the Borrower, the repayment of the loan as specified in **Clause 3.2** above shall be expedited and triggered and all shares held by the Borrower in the Company shall be transferred from the Borrower to the Lender, if applicable, or any person to be designated by the Lender. For this purpose, the Borrower, by signing this Agreement, hereby declares that the Borrower's immediate relatives are made aware of the arrangement under this Agreement and the Borrower's rights and interest over the shares held by the Borrower in the Company shall not inure to the benefits of the Borrower's heirs or successors.



9.8 Language

This Agreement is made in English in 03 (three) counterparts and all counterparts taken together shall be deemed to constitute one and the same instrument. The Borrower keeps 01 (one) copy, the Lender and the Company shall keep 01 (one) counterpart each.

9.9 Governing Law and Dispute Resolution

9.9.1 This Agreement shall be governed by and construed pursuant to the laws of the Kingdom of Cambodia.

9.9.2 If any dispute arises out of, or in connection with, this Agreement, including any question regarding its existence, validity or termination, neither Party shall commence proceedings relating to the dispute and the following dispute resolution provisions shall be complied with:

(a) A Party claiming a dispute has arisen will promptly give a written notice to the other Party specifying the nature of the dispute, following which the Parties shall endeavor in good faith to resolve the dispute.

(b) If the Parties do not resolve the dispute within 15 Business Days of receipt of the notice claiming a dispute has arisen (or such further period as mutually agreed in writing by them) then the dispute shall be referred to and finally settled by arbitration in the Kingdom of Cambodia at the National Commercial Arbitration Centre in accordance with the arbitral rules for the time being in force, which include, but not limit to, the fact that the arbitrators may award remedies over the shares or land assets of the Company, injunctive relief (e.g. for the conduct of business or to compel the transfer of assets) or order the winding up of the Company. The rules are deemed to be incorporated by reference in this Clause, provided that any party may seek interim remedies in support of the arbitration pending formation of the arbitral tribunal or in appropriate cases in courts of competent jurisdictions with the power to grant such interim remedies including the courts of Hong Kong, Cayman Islands, British Virgin Islands, and Kingdom of Cambodia.

9.10 Confidentiality

The Parties shall keep the terms and conditions of this Agreement confidential and shall not now or hereafter divulge these terms and conditions to any third person save (i) as otherwise required by law, legal process or The Stock Exchange of Hong Kong Limited or the Securities and Futures Commission of Hong Kong, including to legal and financial advisors in their capacity of advising a Party in such matters or (ii) with the prior written consent of the other Party.

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IN WITNESS WHEREOF, the Lender and the Borrower hereby agree to, acknowledge, and execute the terms and conditions of this Agreement on the date first set out above.

The Lender:


For and on behalf of
Ming Fai Holdings Limited
明輝控股有限公司

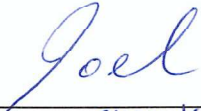
Ming Fai Holdings Limited

Signed by its authorized representative:

Mr. Ching Tsunwah

in the presence of:

) 
)
Authorized Signature(s)



Name of witness: CHAU YUN HAN

The Borrower:

Signed by:

Mr. Ching Tsunwah

in the presence of:

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) _____



Name of witness: CHAU YUN HAN