

Dated 22 November 2024

**B.DUCK SEMK HOLDINGS INTERNATIONAL  
LIMITED**

(小黃鴨德盈控股國際有限公司)

**AND**

盈森玩具（惠州）有限公司

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**MERCHANDISE SUPPLY FRAMEWORK  
AGREEMENT**

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**競天公誠律師事務所**

**JINGTIAN & GONGCHENG**

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**THIS AGREEMENT** is made on 22 November 2024

**BETWEEN:**

- (1) **B.DUCK SEMK HOLDINGS INTERNATIONAL LIMITED (小黃鴨德盈控股國際有限公司)**, an exempted company incorporated under the laws of the Cayman Islands with limited liability and having its registered office at PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (the “**Company**”); and
- (2) **盈森玩具（惠州）有限公司**, a company incorporated under the laws of Hong Kong with limited liability and having its registered office at 惠州大亞灣經濟技術開發區響水河 (“**ENS Toys**”).

**WHEREAS:**

- (A) The Group is principally engaged in (i) the character licensing business: the creation, design, licensing, brand management and marketing of self-created B.Duck Family Characters (as defined below) across multi-channels; and (ii) the e-commerce and other business: the design, development, procurement and retail sales of the Group’s B.Duck Family Characters-featured products through multi-channels.
- (B) ENS Toys is a limited liability company established in the PRC and wholly owned by Mr. Hui Ha Lam (許夏林) (“**Mr. Hui**”), chairman, chief executive officer, an executive director and controlling shareholder (as defined under the Listing Rules) of the Company. Pursuant to the relevant Listing Rules, ENS Toys is an associate of Mr. Hui and a connected person of the Company.
- (C) It is anticipated that (i) the Group will continue to purchase merchandise (including but not limited to apparel and toys) from ENS Toys; and (ii) such transactions will constitute continuing connected transactions of the Company under the Listing Rules.
- (D) The Company and ENS Toys have agreed to enter into this Agreement to set out the principal terms and conditions in respect of the supply of merchandise by ENS Toys to the Group.

**IT IS NOW AGREED** as follows:

**1. Definitions**

- 1.1** In this Agreement, the words and expressions set out below shall have the meanings attributed to them unless the context otherwise requires:

“ <b>Agreement</b> ”	this Agreement as may be amended or supplemented by the parties hereto in writing;
“ <b>associate(s)</b> ”	has the meaning given to it in the Listing Rules;

<b>“B.Duck Family Characters”</b>	all the Group’s self-created characters and IP rights under the B.Duck Family and Friends, including but not limited to B.Duck, Buffy, B.Duck Baby, Papa, Mama, Jack, Rice, Pinky, Teal, Ice and any other characters and their registered names that may be developed by the Group from time to time;
<b>“Business Day(s)”</b>	a day (excluding a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for normal banking business;
<b>“connected person(s)”</b>	has the meaning given to it in the Listing Rules;
<b>“Group”</b>	the Company and its subsidiaries;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
<b>“PRC”</b>	the People’s Republic of China, for the purpose of this Agreement only, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
<b>“Purchase Price”</b>	means the purchase price of merchandise, as determined in accordance with Clause 4; and
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited.

**1.2** In this Agreement, headings are for convenience only and shall not affect the construction of this Agreement.

**1.3** The recitals of this Agreement shall form an integral part of this Agreement and shall construed and have the same full force and effect as if expressly set out in the body of this Agreement.

**1.4** Unless the context otherwise requires, words importing the singular only shall include the plural and vice versa and words importing natural persons shall include corporations and unincorporated associations and vice versa. The headings contained in this Agreement are for the purpose of convenience only and do not form part of and shall not affect the construction of this Agreement or any part thereof.

**1.5** Unless the context otherwise requires, any reference in this Agreement to Clauses are references to the clauses of this Agreement.

## **2. Term**

This Agreement shall be for a term of one year commencing from 1 January 2025 and expiring on 31 December 2025 (both days inclusive), unless terminated earlier by agreement between the parties hereto.

### **3. Supply of Merchandise**

- 3.1** Subject to the terms and conditions of this Agreement, the Company agrees to, and will procure other members of the Group to, during the term of this Agreement, purchase merchandise from ENS Toys, and ENS Toys agrees to provide merchandise to the Group. The merchandise to be provided by ENS Toys to the Group include but are not limited to apparel and toys.
- 3.2** ENS Toys agrees to supply and the Company and/or other members of the Group agrees to purchase merchandise in the following manner:
- (i) the Company and/or other members of the Group shall place purchase order to ENS Toys, which sets out all necessary terms including but not limited to, the types and quantity of merchandise to be purchased, the Purchase Price and delivery terms;
  - (ii) upon due delivery of merchandise to the Company and/or other members of the Group, ENS Toys shall issue an invoice to the Company and/or other members of the Group for such merchandise; and
  - (iii) payment is due within 60 days after placement of purchase order as referred in Clause 3.2(i) above, unless otherwise agreed between the Parties in writing.
- 3.3** For the avoidance of doubt, ENS Toys shall have the right to supply any or all of merchandise to third parties other than the Group and there is no minimum purchase amount under this Agreement.
- 3.4** It is agreed between the parties that the maximum aggregate amount payable by the Group to ENS Toys pursuant to this Agreement for the period ending 31 December 2025 shall not exceed the amount of HK\$36,000,000 (the “**Cap Amount**”).
- 3.5** ENS Toys hereby acknowledges and agrees that if the Group is unable to comply with such requirements of the Listing Rules or if the payments received by ENS Toys under this Agreement have reached the Cap Amount, the parties hereto shall cease to have any obligations to perform their respective duties under this Agreement unless and until the relevant requirements under the Listing Rules are complied with. In the event that such circumstances occur, ENS Toys undertakes and warrants to the Company (for itself and on behalf of all other members of the Group) that it shall not claim against any member of the Group for the cessation of the obligations under this Agreement.
- 3.6** The parties hereto acknowledge that, since the transactions contemplated under this Agreement shall constitute continuing connected transactions of the Company under the Listing Rules, the Company’s performance of its duties and obligations under this Agreement shall be subject to compliance with the relevant requirements by the Group for continuing connected transactions under the Listing Rules.

**3.7** ENS Toys undertakes to the Company that it would, and procure its associates to, use its best endeavours to assist the Group in complying with the relevant requirements under the Listing Rules, in particular, Chapter 14A of the Listing Rules in relation to connected transactions.

**3.8** ENS Toys further undertakes to the Company that it would, and procure its associates to, use commercially reasonable endeavours to ensure the material terms, including prices, credit period, delivery schedule, offered by it to the Group are fair and reasonable and are determined on normal commercial terms or on terms no less favourable to the Group than the terms available from other independent third party suppliers.

**4. Price of Merchandise**

**4.1** The products will be priced on normal commercial terms and in the ordinary course of the Group's business with reference to the market price of the merchandise with same or comparable product type and purchase quantity provided by independent third parties.

**5. Termination**

Either party may terminate this Agreement by giving the other party at least one month's written notice of termination. Without prejudice to any rights and obligations to which any of the parties to this Agreement may be entitled to before its termination, the rights and the obligations of the parties under this Agreement shall terminate and be of no further effect upon the termination of this Agreement. Termination of this Agreement shall not prejudice the rights and obligations of the parties to the Agreements entered into prior to the termination of this Agreement.

**6. Entire Agreement and Severability**

**6.1** This Agreement sets out the entire agreement and understanding between the parties hereto for the transactions contemplated herein and supersedes any previous agreements entered into between any member of the Group and ENS Toys in relation to the matters contemplated hereunder, whether written or oral.

**6.2** If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect, the remaining provisions hereof shall in no way be affected or impaired thereby.

**7. Successors and Assigns**

This Agreement shall enure to the benefit of the successors and assigns of the respective parties hereto but shall not be assignable unless with the written consent of the other party.

**8. Notices**

**8.1** Any notice, demand or other communication to be given to a party hereto pursuant to this Agreement shall be in writing and delivered or sent to the relevant party at its address or fax number set out below:

Company: Unit A6, 25/F, TML Tower, 3 Hoi Shing Road, Tsuen Wan, New Territories, Hong Kong

Fax No: (852) 2456 2578  
For the attention of Mr. Rex Wong

ENS Toys: 惠州大亞灣經濟技術開發區響水河  
Fax No: N/A  
For the attention of Mr. Adam Liu

or such other address or facsimile number as may be notified by such party to the other by at least three Business Days' prior notice in writing.

**8.2** Any notice or other communication shall be deemed to have been received when left at the addresses mentioned in Clause 8.1 or if sent by fax, at the time of receipt (if during office hours) or on the next working day (if outside office hours) or if sent by pre-paid post to the said address, on the expiry of 48 hours after posting.

**8.3** Reference in Clause 8.1 to writing shall include a notice or communication by facsimile.

**9. Costs**

Each party hereto shall bear its own legal, accountancy and other costs and expenses incurred in connection with the preparation, negotiation, settlement and performance of this Agreement.

**10. Counterparts**

This Agreement may be signed in any number of copies or counterparts, each of which when so signed and delivered shall be deemed an original, but all the counterparts shall together constitute one and the same instrument.

**11. Announcement**

No party hereto shall authorise or make any announcement or release any information or statement regarding the subject matter of this Agreement or any transactions associated therewith without the prior approval in writing of the same by the other party except where such announcement, information or statement is required by law or any regulations of any stock exchange (including without limitation the Listing Rules) or any other authorities. For the avoidance of doubt, the disclosure by the Group of the particulars of this Agreement to any regulatory authority (including but not limited to the Stock Exchange and the Securities and Futures Commission of Hong Kong) and the issue by the Group of any prospectus(es), announcement(s), circular(s) or any other publications disclosing particulars of this Agreement in compliance with the Listing Rules or other requirements of the Stock Exchange or the Securities and Futures Commission of Hong Kong shall not be prohibited under this Clause 11 and shall not be regarded as a breach of this Clause 11 by the Company.

**12. Governing Law and Jurisdiction**

**12.1** This Agreement shall be governed by and construed in all respects in accordance with the laws of Hong Kong and is executed pursuant to the laws of Hong Kong.

**12.2** Each party hereto irrevocably agrees that the courts of Hong Kong shall have non-exclusive jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes which may arise out of or in connection with this Agreement and for such purposes irrevocably submits to the jurisdiction of such courts.

AS WITNESS whereof this Agreement has been duly executed on the date first above written.

SIGNED by KWOK CHUN KIT )

for and on behalf of )

B.DUCK SEMK HOLDINGS )

INTERNATIONAL LIMITED )

(小黃鴨德盈控股國際有限公司) )

in the presence of : )

LONG LING CHIU

R. Wang



SIGNED by HUI HA LAM )

for and on behalf of )

盈森玩具(惠州)有限公司 )

in the presence of : )

LONG LING CHIU

R. Wang

