

Dated the 29th day of August 2023

EASYKNIT INTERNATIONAL HOLDINGS LIMITED
(永義國際集團有限公司)
(as Guarantor)

in favour of

CITY CHINA INTERNATIONAL LIMITED
(城中國際有限公司)
(as Lender)

DEED OF GUARANTEE

THIS GUARANTEE is made on the 29th day of August 2023
BETWEEN

- (1) **EASYKNIT INTERNATIONAL HOLDINGS LIMITED (永義國際集團有限公司)**, an exempted company incorporated under the laws of Bermuda with registration No. **19913**, whose principal place of business in Hong Kong is situate at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong with registration No. **F0006937** as guarantor (the “**Guarantor**”); in favour of
- (2) **CITY CHINA INTERNATIONAL LIMITED (城中國際有限公司)** of Flat E, 23/F., The Globe, No. 79 Wing Hong Street, Kowloon, Hong Kong as lender (the “**Lender**”).

WHEREAS:-

(A) By a facility agreement (the “**Facility Agreement**”, which expression includes such facility agreement as may from time to time be supplemented or amended) dated 29th August 2023, and made between (1) **Main Profit Investment Limited (明潤投資有限公司)** (the “**Borrower**”) and (2) the Lender as lender, the Lender has agreed, upon and subject to the terms and conditions of the Agreement, to make available to the Borrower a revolving loan facility (the “**Facility**”) of up to an aggregate principal amount of **HK\$80 million** for the purposes therein mentioned.

(B) The execution and delivery of this Guarantee is one of the conditions precedent to the Lender making the Facility available under the Agreement.

NOW THIS GUARANTEE WITNESSETH AND IT IS HEREBY AGREED AND DECLARED as follows:-

1. **INTERPRETATION**

1.01 **Definitions**

All words and expressions defined in the Agreement shall, unless specifically defined or redefined herein or the context otherwise requires, have the same meaning when used in this Guarantee.

1.02 In this Guarantee the following expressions shall have the following meanings:-

“**Guaranteed Indebtedness**” means all moneys and sums whatsoever (including all principal, interest, prepayment fee, arrangement fee, other fees, costs, charges and expenses) from time to time owing, due or payable or to become owing, due or payable by the Borrower under or pursuant to the Facility Agreement;

“Incapacity” means in relation to a company, the insolvency, liquidation, dissolution, winding up, administration, receivership, amalgamation, reconstruction or other incapacity of that company whatsoever and in relation to a person, the bankruptcy, receivership or other incapacity whatsoever; and

“Liabilities” means all obligations and liabilities whatsoever, whether as principal or surety, whether present or future, actual or contingent, whether joint or several, in whatever style, name or form and in whatever currency denominated including (a) liabilities under or in connection with foreign exchange transactions, interest rate swaps and other arrangements entered into for the purpose of limiting exposure to fluctuations in interest or exchange rates, (b) liabilities arising from the issue, acceptance, endorsement and discount of any notes, bills of exchange or other negotiable or non-negotiable instruments and (c) liabilities arising out of documentary or other credits or instruments.

1.03 Construction

- (a) Words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and the neuter genders and vice versa and words importing persons shall include firms and corporations and vice versa.
- (b) Unless otherwise stated, references to Clauses shall be construed as references to clauses of this Guarantee. Clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Guarantee.
- (c) The expressions **“Guarantor”** and **“Lender”** shall where the context permits include their respective successors and permitted assigns and any persons deriving title under them.
- (d) References in this Guarantee to any ordinance shall (except where the context otherwise requires) be deemed to include any statutory re-enactment thereof or any statutory modification thereof having substantially the same legal effect but not having retrospective effect.
- (e) A person who is not a party to this Guarantee has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623) of the Laws of Hong Kong to enforce or enjoy the benefit of any term of this Guarantee.

2. GUARANTEE

2.01 Guarantee

The Guarantor hereby guarantees, unconditionally and irrevocably, as principal debtor and not merely as surety, until final payment has been made, the due and prompt payment by the Borrower of the Guaranteed Indebtedness in the manner

and at the times fixed or calculated under the Facility Agreement from time to time for payment of the same and the Guarantor further guarantees, unconditionally and irrevocably, as principal obligor and not merely as surety, the due and punctual performance by the Borrower of all its obligations and liabilities in respect of the Guaranteed Indebtedness so that whenever the Borrower fails to make payment of any part of the Guaranteed Indebtedness in the manner provided and/or perform and observe any of its obligations and liabilities under the Facility Agreement the Guarantor shall upon demand by the Lender (and whether or not the Lender and/or any other person shall have made any demand on or taken any proceedings against the Borrower or any other person and without any other formalities, all of which are hereby expressly waived by the Guarantor) cause forthwith to be paid the Guaranteed Indebtedness and/or performed and observed the obligations and liabilities in respect of which such default has been made in accordance with the provisions of the Facility Agreement.

2.02 Indemnity

As a separate and independent stipulation, the Guarantor shall, as between the Lender and the Guarantor, be liable for every payment to be made by the Borrower in respect of the Guaranteed Indebtedness and every obligation and liability to be performed and observed by the Borrower under the Facility Agreement as if the Guarantor was the principal debtor and not merely a surety, and without any requirement for the Lender first to seek recourse against the Borrower or any other person, and the Guarantor's liability shall not be discharged, impaired or reduced by any time or indulgence granted to the Borrower or any other person by the Lender or by the Borrower losing its separate identity or by any dealings or transactions between the Lender and the Borrower or any other person or by any amendment or supplement to the Facility Agreement or any other relevant documents. The Guarantor hereby agrees to pay to the Lender upon demand such sum as is necessary to keep the Lender fully indemnified against all damages, losses, costs and expenses incurred as a result of any obligation guaranteed by it is or becomes unenforceable, illegal or invalid or arising from any failure of the Borrower to perform or discharge any obligation (or purported obligations) under the Facility Agreement.

2.03 Computation of Liability

Any statement of account of the Borrower, signed by any duly authorised officer of the Lender, showing the amount of the Guaranteed Indebtedness or any other amount payable shall (in the absence of the manifest error) be conclusive and binding on and against the Guarantor.

2.04 Demands

The Lender may make more than one demand on the Guarantor throughout the duration of this Guarantee.

3. **REPRESENTATIONS AND WARRANTIES**

The Guarantor makes the representations and warranties set out in this Clause 3 to the Lender.

3.01 **Facility Agreement**

It is aware of and approves the terms of the Facility Agreement.

3.02 **Representations in the Agreement**

Each of the representations in the Facility Agreement shall apply to this Guarantee as if they were set out in full again here and made by the Guarantor, except with any changes which are necessary to fit the context of this Guarantee.

3.03 **Repetition**

The representations and warranties in Clause 3.01 to 3.02 above shall be deemed to be repeated by the Guarantor on the date of each Drawdown Notice and the first day of each Interest Period applicable to each Advance as if made with reference to the facts and circumstances existing on each such date.

4. **GENERAL UNDERTAKINGS**

The Guarantor undertakes to the Lender that, so long as any Guaranteed Indebtedness remains outstanding and/or the Facility remains available to the Borrower:-

- (i) the Borrower will remain legally and beneficially owned (directly or indirectly) as to 100% by the Guarantor; and
- (ii) no member of the Group will lease, transfer, assign or otherwise dispose of the whole or a substantial part of their respective assets or revenues which are material to the Group as a whole, except in the ordinary course of business at arm's length terms or with the prior written consent of the Lender.

5. **SAVINGS PROVISIONS**

5.01 **Taking of Security**

The Guarantor warrants that it has not taken or received, and undertakes that until all the Guaranteed Indebtedness has been paid or discharged in full and the Facility is no longer available, it will not take or receive, the benefit of any security from the Borrower or any other person in respect of its obligations under this Guarantee. The Guarantor further agrees that should any such security be created in breach hereof while any Guaranteed Indebtedness remains undischarged, any such security shall be held by it for the benefit of the Lender to secure the obligations of the Guarantor hereunder and shall forthwith be deposited with the Lender and all moneys at any time

received in respect thereof shall be held on trust for the Lender as security for the liability of the Guarantor to the Lender hereunder.

5.02 Continuing Guarantee

This Guarantee apply to the ultimate balance of all the Guaranteed Indebtedness from time to time owing to the Lender by the Borrower and shall be a continuing guarantee, notwithstanding any partial settlement of account or other matter whatsoever.

5.03 If this Guarantee ceases to be continuing for any reason whatsoever the Lender may nevertheless continue any account of the Borrower or open one or more new accounts of the Borrower and the liability of the Guarantor under this Guarantee shall not in any manner be reduced or affected by any subsequent transactions or receipts or payments into or out of any such account.

5.04 Waiver of Defences

The liability of the Guarantor shall not be affected nor shall this Guarantee be discharged or reduced by reason of:-

- (a) the Incapacity or any change in the name, style or constitution of the Borrower or any other person;
- (b) the Lender granting any time, indulgence or concession to, or compounding with, discharging, releasing or varying the liability of the Borrower including any amendment, modification or variation of any of the terms of the Facility Agreement (or any of them) without the consent of the Guarantor or renewing, determining, varying or increasing any accommodation, facility or transaction or otherwise dealing with the same in any manner whatsoever or concurring in, accepting or varying any compromise, arrangement or settlement or omitting to claim or enforce payment from any obligor;
- (c) any act or omission which would not have discharged or affected the liability of the Guarantor had it been principal debtor instead of guarantor or by anything done or omitted which but for this provision might operate to exonerate the Guarantor;
- (d) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, execute, take up or enforce, any rights against, or security over assets of, the Borrower or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;
- (e) any unenforceability, illegality or invalidity of any obligation of any person under any finance document or any other document or security;
- (f) any insolvency or similar proceedings; or

- (g) any other ground on which this Guarantee might be binding against the Guarantor were it not for this provision.

5.05 Immediate Recourse

The Lender shall not be obliged to make any claim or demand on the Borrower or to resort to any collateral or other means of payment now or hereafter held by or available to them before enforcing this Guarantee and no action taken or omitted by the Lender in connection with any such collateral or other means of payment shall discharge, reduce, prejudice or affect the liability of the Guarantor under this Guarantee nor shall the Lender be obliged for the purpose of this Guarantee to account for any money or other property received or recovered in consequence of any enforcement or realisation of any such collateral or other means of payment.

5.06 No Subrogation

Until all the Guaranteed Indebtedness has been irrevocably and unconditionally paid, discharged or satisfied in full (and notwithstanding payment of a dividend in any liquidation or under any compromise or arrangement), the Guarantor agrees that it will not:-

- (a) exercise its rights, if any, of subrogation, contribution, reimbursement and indemnity against the Borrower;
- (b) demand or accept payment in whole or in part of any indebtedness now or hereafter due to the Guarantor from the Borrower or demand or accept any collateral in respect of the same or dispose of the same;
- (c) take any step to enforce any right against the Borrower in respect of any such indebtedness or liabilities; or
- (d) claim any set-off or counterclaim against the Borrower or claim or prove in competition with the Lender in the liquidation of the Borrower or have the benefit of, or share in, any payment from or composition with, the Borrower but so that, if so directed by the Lender, it will prove for the whole or any part of its claim in the liquidation of the Borrower on terms that the benefit of such proof and of all money received by it in respect thereof shall be held on trust for the Lender and applied in or towards discharge of the Guaranteed Indebtedness in such manner as the Lender shall deem appropriate.

5.08 Reinstatement

Any release, discharge or settlement between the Guarantor and the Lender shall be conditional upon no security, disposition or payment to the Lender by the Borrower being void, set aside or ordered to be refunded pursuant to any enactment or law relating to bankruptcy, liquidation, administration or insolvency or for any other reason whatsoever and if such condition shall not be fulfilled the Lender shall be

entitled to enforce this Guarantee subsequently as if such release, discharge or settlement had not occurred and any such payment had not been made.

5.09 Retention

The Lender shall be entitled to retain this Guarantee after as well as before the payment or discharge of all the Guaranteed Indebtedness for such period, as the Lender may select being not more than 12 months after the Guaranteed Indebtedness has been determined by the Lender to have been unconditionally and irrevocably satisfied in full, thereafter this Guarantee shall be returned to the Guarantor.

6. PAYMENTS

6.01 Payment Method

All payments to be made by the Guarantor under this Guarantee shall be made in full, without any set-off or counterclaim whatsoever, free and clear of any deductions or withholdings, in Hong Kong Dollars not later than 10:00 a.m. on the due date and such payments shall be made by CHATS or by such other method as may be agreed to by the Lender.

6.02 Gross Up

- (a) All payments to be made by the Guarantor to the Lender shall be made free and clear of and without any deduction on account of taxation (“Tax Deduction”) unless the Guarantor is required to make a Tax Deduction, in which case the sum payable by the Guarantor (in respect of which such Tax Deduction is required to be made) shall be increased to the extent necessary to ensure that the Lender receives a sum net of any deduction or withholding equal to the sum which it would have received had no such Tax Deduction been made or required to be made.
- (b) If the Guarantor is required to make a Tax Deduction, the Guarantor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.
- (c) Within 30 days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Guarantor shall deliver to the Lender for the Lender entitled to the payment evidence reasonably satisfactory to the Lender that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

6.03 Currency

No payment under this Guarantee pursuant to any judgment or order of any court or otherwise shall operate to discharge the obligation of the Guarantor in respect of which it was made unless and until payment in full shall have been received

in the currency in which it is payable and to the extent that the amount of any such payment shall on actual conversion into the currency in which it is payable fall short of the amount of the obligation expressed in the currency in which it is payable, the Lender shall have a further and separate cause of action against the Guarantor for the recovery of such sum as shall after conversion into the currency in which it is payable be equal to the amount of the shortfall.

7. **BENEFIT OF THIS GUARANTEE**

7.01 **Successor and Assigns**

This Guarantee shall be binding upon and enure to the benefit of the Guarantor, the Lender and their respective successors and assigns except that the Guarantor may not assign or transfer any of its rights, benefits, duties or obligations under this Guarantee.

7.02 **Assignment by Lender**

If the Lender shall assign the whole or any part of its rights and/or benefits under the Agreement, the Lender shall be deemed to have also assigned the whole or the appropriate portion of its rights and benefits hereunder, in which event reference herein to the Lender shall thenceforth be deemed to include a reference to each assignee to the extent of its interest and the assignee shall have the same rights as it would have had if it had been the Lender at the time of this Guarantee.

8. **NOTICES AND OTHER MATTERS**

8.01 **Communications in writing**

Any communication to be made under or in connection with this Guarantee shall be made in writing and, unless otherwise stated, may be made by fax or letter.

8.02 **Addresses**

The address and fax number (and the department or officer, if any, for whose attention the communication is to be made) of each party hereto for any communication or document to be made or delivered under or in connection with the Facility Agreement is:-

- (a) in the case of the Guarantor, that identified with its name below; and
- (b) in the case of the Lender, that identified with its name in the Facility,

or any substitute address, fax number or department or officer as the Guarantor may notify to the Lender (or the Lender may notify to the Guarantor, if a change is made by the Lender) by not less than 5 Business Days' notice.

8.03 Delivery

(a) Any communication or document made or delivered by one person to another under or in connection with this Guarantee will only be effective:-

(i) if by way of fax, when received; or

(ii) if by way of letter, when it has been left at the relevant address or 5 Business Days after being deposited in the post postage prepaid in an envelope addressed to it at that address;

and, if a particular department or officer is specified as part of its address details provided under this Clause, if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with the Lender's signature in the Agreement (or any substitute department or officer as the Lender shall specify for this purpose).

8.04 English language

(a) Any notice given under or in connection with this Guarantee must be in English.

(b) All other documents provided under or in connection with this Guarantee must be:-

(i) in English; or

(ii) if not in English, and if so required by the Lender, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

9. WAIVERS, MATERIALITY, ILLEGALITY AND OTHERS

9.01 Waiver

No failure to exercise and no delay in exercising on the part of the Lender of any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any rights and remedies provided by law.

9.02 Time

Time shall be of the essence of this Guarantee.

9.03 Illegality

If any one or more of the provisions of this Guarantee or any part or parts thereof shall be declared or adjudged to be illegal, invalid or unenforceable under any applicable law, such illegality, invalidity or unenforceability shall not vitiate any other provisions hereof and this Guarantee shall be construed as if such illegal, invalid or unenforceable provisions were not contained herein.

9.04 Variation

This Guarantee may only be varied or modified by supplemental agreement or other document executed by both the parties hereto.

9.05 Instrument in Writing

No provision hereof may be waived, discharged or terminated orally, except only by an instrument in writing signed by the party against whom enforcement of the waiver, discharge or termination is sought.

9.06 Counterparts

This Guarantee may be executed in any number of counterparts by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original but all of which shall together constitute one and the same instrument.

10. APPLICABLE LAW

10.01 Governing Law

This Guarantee and the rights and obligations of the parties hereto shall be governed by and construed in all respects in accordance with the laws of Hong Kong, and the parties hereto hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong.

10.02 Submission to Jurisdictions

The submission of the Guarantor to the jurisdiction of the courts of Hong Kong shall not restrict the right of the Lender to take proceedings against the Guarantor in any other court(s) having, claiming or accepting jurisdiction over the Guarantor or any of its assets, nor shall the taking of proceedings in any one or more jurisdiction(s) preclude the taking of proceedings in any other jurisdiction(s), whether concurrently or not.




10.03 Waiver of Immunity

The Guarantor agrees that in any legal action or proceedings against it or its assets in connection with this Guarantee, no immunity from such legal action or proceedings shall be claimed by or on behalf of the Guarantor or with respect to its assets, the Guarantor irrevocably waives any such right of immunity which it or its assets now have or may hereafter acquire or which may be attributed to it or its assets and consents generally in respect of any such legal action or proceedings to the giving of any relief or the issue of any process in connection with such action or proceedings including the making, enforcement or execution against any property whatsoever, of any order or judgment which may be made or given in such action or proceedings.

IN WITNESS whereof the Guarantor has caused this Guarantee to be duly executed on the date first above written.

The Guarantor

SEALED with the COMMON SEAL of)
)
EASYKNIT INTERNATIONAL)
)
HOLDINGS LIMITED)
)
(永義國際集團有限公司))
)
in accordance with its bye-laws by)
)
KOON Ho Yan Candy)
)
LUI Yuk Chu)
)
in the presence of:-)

Address : Block A,
7/F, Phase 6,
Hong Kong Spinners Building,
481-483 Castle Peak Road,
Cheung Sha Wan,
Kowloon,
Hong Kong

Fax : (852) 2171 1502
Attn : Ms. Cordia Leung

The Lender

SIGNED by)
KWONG Jimmy Cheung Tim)
for and on behalf of)
CITY CHINA INTERNATIONAL)
LIMITED (城中國際有限公司))

For and on behalf of
CITY CHINA INTERNATIONAL LIMITED
城中國際有限公司
.....
Authorized Signature(s)