

Date: 27 December 2024

**Brilliant Cold Storage Management Limited 光輝凍倉管理有限公司**

No. 8 Kwai Hei Street, Kwai Chung,  
New Territories,  
Hong Kong

Attn.: The Board of Directors

Dear Sirs,

**Re: Offer for Lease**

**Premises:** Kwai Chung Town Lot No.360 together with the messuages erections and buildings thereon (No.8 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong)  
**Landlord:** Kwai Hei Investments No.1 Limited  
**Tenant:** Brilliant Cold Storage Management Limited 光輝凍倉管理有限公司

We, Kwai Hei Investments No.1 Limited (herein referred to as the “**Landlord**”, “**Kwai Hei Investments**”, “**we**” or “**us**”), refer to (i) the lease dated 27 May 2019 between Kwai Hei investments as landlord and Diamond Sparkling Limited (“**Diamond Sparkling**”) as tenant, in respect of the Premises (“**Principal Lease**”) as supplemented by a supplemental lease dated 27 May 2019, a second supplemental lease dated 8 September 2021, a third supplemental lease dated 19 November 2021, a fourth supplemental lease dated 10 July 2024 and a fifth supplemental lease dated 27 December 2024 (“**Fifth Supplemental Lease**”) and (ii) the licence agreement dated 28 April 2020 made between Diamond Sparkling as licensor and Brilliant Cold Storage Management Limited 光輝凍倉管理有限公司 (the “**Tenant**” or “**Brilliant**” or “**you**”) as licensee (the “**Licence Agreement**”) and an one-time waiver letter dated 16 April 2020 issued by Kwai Hei Investments to Diamond Sparkling and Brilliant (“**Approval Letter**”) ((i) and (ii) are collectively referred to as the “**Existing Lease**”).

Since the Existing Lease will expire on 14 February 2027, we have discussed on divers dates to renew the same.

In this letter (“**this Letter**”), we hereby offer to lease the Premises (the “**New Lease**”) to the Tenant i.e. Brilliant Cold Storage Management Limited 光輝凍倉管理有限公司, on the following principal terms and conditions:

**1. Premises**

All That piece or parcel of land registered in the Land Registry as KWAI CHUNG TOWN LOT NO. 360 together with the messuages erections and buildings thereon (No.8 Kwai Hei Street, Kwai Chung, New Territories, Hong Kong).

**2. Term**

A fixed term of five (5) years from 15 February 2027 (“**Term Commencement Date**”) to 14 February 2032 (both days inclusive) (the “**Term**”).

### 3. Termination

The Tenant and/or the Landlord shall have no right to early terminate the New Lease during the Term. For the avoidance of doubt, the Landlord shall have the right to terminate the New Lease in the event of default by the Tenant pursuant to Clause 7.01 of Section VII of the Principal Lease (which will apply, mutatis mutandis, to the New Lease).

### 4. Rent

- (a) The rent (exclusive of rates, Government rent, utility charges and other charges and outgoings payable by the Tenant for the Premises (collectively, “**the Tenant’s outgoings**”)) payable by the Tenant for the Premises (the “**Rent**”) during the Term shall be as follows:

Lease Period	Monthly Rent from the Term Commencement Date to (but exclusive of) the 2/F Possession Date	Monthly Rent from the 2/F Possession Date to the expiry date of the Term (both days inclusive)
From 15 February 2027 to 14 February 2030 (both days inclusive) (“ <b>First Review Period</b> ”)	at market rent ( <i>Note 1</i> ) (but not less than HK\$7,132,238.00*)	at market rent ( <i>Note 1</i> ) (but not less than HK\$7,323,160.00)
From 15 February 2030 to 14 February 2032 (both days inclusive) (“ <b>Second Review Period</b> ”)	at market rent ( <i>Note 2</i> )	at market rent ( <i>Note 2</i> )

For the avoidance of doubt, the monthly Rent shall be determined based on the Private Flatted Factories – Rental and Price Indices from time to time published by the Rating and Valuation Department of Hong Kong (the “**Index**”) during the First Review Period and Second Review Period.

- \* For the avoidance of doubt, for the period commencing from the Term Commencement Date to the 2/F Possession Date (as defined below in Clause 8(i) of this Letter), the amount of rent payable by the Tenant attributable to the 2<sup>nd</sup> Floor of the Premises (“**2/F**”) shall be calculated based on half the market rent payable for 2/F subject to the maximum amount indicated above.

**Note 1:** Market Rent for the First Review Period shall be the last monthly rent payable by Diamond Sparkling under the Existing Lease as adjusted by the percentage ratio equal to the difference of the rents between first quarter of 2025 and the fourth quarter of 2026 as shown in the Index (“**First Adjusted Rent**”), provided always that the First Adjusted Rent shall not be less than the monthly rent payable by Diamond Sparkling under the Existing Lease immediately before the First Review Period.

**Note 2:** Market Rent for the Second Review Period shall be the last monthly rent payable by the Tenant under the New Lease as adjusted by the percentage ratio equal to the difference of the rents between the fourth quarter of 2026 and the fourth quarter of 2029 as shown in the Index ("**Second Adjusted Rent**"), provided always that the Second Adjusted Rent shall not be less than the monthly rent payable by the Tenant immediately before the Second Review Period.

- (b) The Rent per month above is payable by the Tenant to the Landlord monthly in advance on the 1<sup>st</sup> day of each calendar month of the Term. The first and last of such payments shall be apportioned on a daily basis according to the number of days in the relevant month included in the Term.

## **5. Security Deposit and Other Security**

- (a) The security deposit to be paid by the Tenant to the Landlord on or before the Term Commencement Date and held by the Landlord as deposit throughout the Term under the New Lease shall be a sum equivalent to three (3) months' Rent payable by the Tenant from time to time during the Term ("**Cash Deposit**").
- (b) The Tenant shall ensure that the Landlord is granted with the absolute right by Diamond Sparkling (i) to transfer the amount of the cash deposit then held by the Landlord under the Existing Lease ("**Original Deposit**") to the account of the Tenant as if such amount of the Original Deposit was paid by the Tenant in part payment towards the Cash Deposit in accordance with sub-clause (a) above as required by the New Lease and (ii) to hold and apply such amount of Original Deposit as the Cash Deposit in accordance with the terms and conditions of the New Lease.
- (c) The Tenant hereby irrevocably undertakes to the Landlord that it shall, on or before the Term Commencement Date, deliver or cause to be delivered to the Landlord the following documents for securing the due performance of all the terms, conditions, obligations, covenants and undertakings of the Tenant under the New Lease in addition to the Cash Deposit:
  - (i) a new share charge ("**Share Charge**") duly executed by Best Merchant Limited and Newton Luck Limited (collectively, "**Chargors**") in favour of the Landlord in respect of the entire issued share capital of the Tenant in the form satisfactory to the Landlord and on terms substantially the same as those stipulated in the existing share charge dated 27 December 2024 executed by the Chargors in favour of the Landlord ("**Existing Tenant Share Charge**");
  - (ii) a new corporate guarantee ("**Guarantee**") duly executed by Daido Group Limited ("**Guarantor**") in favour of the Landlord in the form satisfactory to the Landlord and on terms substantially the same as those stipulated in the existing corporate guarantee dated 27 December 2024 executed by Daido Group Limited in favour of the Landlord ("**Existing Guarantee**"); and
  - (iii) a new floating charge over all the assets of the Tenant duly executed by the Tenant in favour of the Landlord in the form satisfactory to the Landlord and on terms substantially the same as those stipulated in the existing floating charge dated 27 December 2024 executed by the Tenant ("**Existing Floating Charge**").

- (d) The Tenant hereby further undertakes to the Landlord that it shall, on or before the Term Commencement Date, deliver or cause to be delivered to the Landlord the following documents (the “**Legal Opinions**”) at its own costs and expense:-
- (i) a legal opinion on the Guarantor and the Guarantee (which shall be in such form and on such terms as approved by the Landlord substantially similar to the Bermuda Legal Opinion (as defined in the Fifth Supplemental Lease) and shall be dated a date no earlier than the Guarantee) duly issued by a reputable firm of lawyers practising the laws of Bermuda and approved by the Landlord; and
  - (ii) the legal opinion on each of the Chargors and the Share Charge (which shall be in such form and on such terms as approved by the Landlord substantially similar to the BVI Legal Opinion(s) (as defined in the Fifth Supplemental Lease) and shall be dated a date no earlier than the Share Charge) duly issued by a reputable firm of lawyers practising the laws of British Virgin Islands and approved by the Landlord.

## 6. Handover

- (a) At the Term Commencement Date, the Premises together with the equipment, fixtures and fittings provided by the Landlord as more particularly set out in Schedule 1 (the “**Landlord’s Fixtures and Fittings**”) and the installation of the “low-temperature rooms” (i.e. room temperature: -18°C) on 13/F (Units A and B) and 14/F (Units A and B) together with the low-temperature machine (Brand: Copeland, HP/cooling capacity: 30) contained in the Premises (the “**Alterations**”) shall be deemed to be handed over by the Landlord to the Tenant, and the Tenant shall accept the Premises and the Landlord’s Fixtures and Fittings on the then “as-is” basis.
- (b) Without prejudice to any provisions in the New Lease in relation to the Landlord’s Fixtures and Fittings and the Alterations (where applicable), subject to due compliance by Diamond Sparkling and the Tenant of the applicable ordinances, regulations, bye-laws, rules and requirements of any Government authority (including any notice/order from any Government authority at all times during the continuance of the Existing Lease and the Term of the New Lease, at the expiration of the sooner determination of the New Lease, the Tenant shall not remove and/or reinstate all or any of the Alterations which still exist at that time unless such removal and/or reinstatement of the Alterations or any part(s) thereof is expressly requested by the Landlord at its discretion, in which case the Tenant shall at its own cost remove, uninstall and/or destroy all such Alterations as directed by the Landlord and reinstate the Premises to the satisfaction of the Landlord pursuant to Clause 3.27(b) in Section III of the Principal Lease (which will apply, mutatis mutandis, to the New Lease).
- (c) Save and except at the Landlord’s express request as aforesaid, the Landlord’s Fixtures and Fittings and the Alterations which still exist at the expiration or soonest determination of the New Lease shall be delivered to the Landlord as if such Landlord’s Fixtures and Fittings and such Alterations form part of the Premises in such state and condition in accordance with Clause 13 (Yield Up Condition) hereof.

## 7. Routine Repair and Maintenance of the Premises

- (a) Save as expressly provided to the contrary in this Letter, during the Term, the Tenant shall

at its costs and expenses keep and maintain the Premises and all the Landlord's Fixtures and Fittings in good, clean, tenantable, substantial and proper repair and condition (fair wear and tear and/or latent, structural or inherent defects excepted), provided always that if and to the extent to be mutually agreed between the Landlord and the Tenant that the same shall become beyond repair and needs to be rebuilt, reinstated, renewed or replaced, the Landlord shall be responsible for rebuilding, reinstating, renewing or replacing the same at its own costs and expenses.

- (b) During the Term, the Landlord shall at its own costs and expenses keep and maintain all structural parts of the Premises in a good, clean, tenantable, substantial and proper repair and condition (fair wear and tear excepted). In particular, the Landlord shall fix (i) any water/insulation problem affecting the Premises which exists on or before the Term Commencement Date and (ii) any water/insulation problem occurring at any time during the Term which is caused by or resulting from the Landlord's failure to properly keep and maintain the structural parts of the Premises as aforesaid.
- (c) For the avoidance of doubt, the Landlord's works under sub-clauses (a) and (b) above (collectively, the **"Landlord's Works"**) shall form part of the Premises and the Landlord's Fixtures and Fittings after duly completing such work handing over the same to the Tenant, and the Tenant's agreements and obligations with respect to the Premises and/or the Landlord's Fixtures and Fittings under the New Lease shall apply, mutatis mutandis, to such completed works. The Landlord and the Tenant will mutually agree on the handover arrangement, the possession arrangement, the insurance arrangement and any rent adjustment arrangement in respect of the affected portion(s) of the Premises during the period when the Landlord executes any Landlord's Works thereon and the defect rectification arrangement of such Landlord's Works.
- (d) For the purpose of this Letter, the phrase ***"good, clean, tenantable, substantial and proper repair and condition"*** shall be construed as follows:
  - (i) as regards the 2/F, the meaning of *"good, clean, tenantable, substantial and proper repair and condition"* shall be determined by reference to such state of repair and condition of the 2/F as at the 2/F Possession Date;
  - (ii) as regards the remaining parts of the Premises and of the fixtures and fittings therein and thereto (other than those as referred to in sub-clause (i) above), the meaning of *"good, clean, tenantable, substantial and proper repair and condition"* shall be determined by reference to such state of repair and condition of such remaining parts of the Premises and of the fixtures and fittings therein and thereto as at the Term Commencement Date;

provided that nothing herein shall operate or be construed as any release or discharge of Diamond Sparkling or the Tenant from its obligation and/or liabilities under the Existing Lease, the Licence Agreement or the Approval Letter to repair and rectify any defects or damage which exists before the Term Commencement Date for which Diamond Sparkling or the Tenant is liable under the Existing Lease or the Licence Agreement (the **"Pre-Existing Defects"**). The Tenant shall, and shall ensure that Diamond Sparkling shall, repair and rectify such Pre-Existing Defects as its own costs and expenses in accordance with the Existing Lease and/or the Licence Agreement. The Tenant hereby irrevocably and unconditionally undertakes to indemnify and hold harmless the Landlord on demand against any and all losses, damage, costs, expenses, claims, demands and liabilities

incurred or suffered by the Landlord arising from or in connection with the occupation and/or use of the Premises during the term of the Existing Lease (including, without limitation, the Licence Agreement and/or the Approval Letter) and/or any breach, non-performance or non-observance by Diamond Sparkling or the Tenant of any terms and conditions of the Existing Lease.

**8. Ice Making Area on 2<sup>nd</sup> Floor of the Premises**

- (a) The Landlord agrees to obtain and maintain at its costs and expenses all necessary permissions to lawfully convert the ice making area currently located on 2/F into a temperature control warehouse (subject to any license constraint imposed by any Government authority) and/or a general warehouse and complete all necessary works to effect such change of use during the Term (the “2/F Work”).
- (b) On the Term Commencement Date, the Tenant will deliver up vacant possession of the 2/F to the Landlord.
- (c) For the period commencing on and from the Term Commencement Date to the 2/F Possession Date (both days inclusive):
  - (i) the Tenant is obliged to pay the Rent per month at such rate as more particularly set out in Clause 4(a) of this Letter;
  - (ii) the Tenant is obliged to pay the Tenant's outgoings in respect of the entire Premises; and
  - (iii) notwithstanding any contrary provisions in this Letter, the Tenant is not obliged to keep and maintain the 2/F in accordance with the terms of this Letter.
- (d) The Landlord agrees not to use asbestos materials and any polluting materials in the 2/F Work.
- (e) The Landlord agrees to acquire at its costs and expenses sufficient property damage insurance and third party insurances for the 2/F Work and endorse the Tenant's interest on such insurance(s).
- (f) The Landlord agrees to consult the Tenant and reasonably accommodate the Tenant's written requests at the Landlord's costs and expenses before the Landlord commences any 2/F Work so as to minimize the disturbance, inconvenience and/or nuisance that may be caused to the Tenant.
- (g) The Landlord agrees to provide at its costs and expenses to the Tenant with all plans, work details and time schedules of the 2/F Work for the Tenant's reference.
- (h) The Landlord shall at its costs and expenses arrange a qualified / competent person to certify :-
  - (i) the completion of all 2/F Work carried out by the Landlord on 2/F according to the New Lease; and

- (ii) that after completing such works, 2/F is safe and in a good, clean, tenantable, substantial and proper repair and condition and (as the case may be) in a good working condition which is suitable for the Tenant's use and occupancy under the New Lease,

(the "**Completion Certificate - 2/F Work**"), and as regards any works in respect of which approval(s) to their commencement and/or completion is required from the Government authority, the necessary approval(s) given by the relevant Government authority for commencing such works and the related statutory forms/records/information submitted to the relevant Government authority and/or provided by the relevant Government authority to confirm the completion of such works shall be attached to the Completion Certificate - 2/F Work. Upon request by the Tenant in writing, the Landlord shall provide the Tenant with the Completion Certificate - 2/F Work as and when it is available.

- (i) After completing all 2/F Work, the Landlord will serve on the Tenant a reasonable prior possession notice to confirm the date when the Tenant may take possession of 2/F (the "**2/F Possession Date**").
- (j) On the 2/F Possession Date, the Landlord agrees to deliver to the Tenant vacant possession of the 2/F together with any other fixtures and fittings therein, and without prejudice to Clause 8(k), the Tenant will accept 2/F together with any other fixtures and fittings therein on "as-is" basis. Such other fixtures and fittings which are provided by the Landlord in or to the 2/F shall form part of the Landlord's Fixtures and Fittings.
- (k) After the Tenant has recovered possession of the 2/F, the Tenant may within the Defect Liability Period - 2/F Work (as hereinafter defined) (time shall be of the essence) serve on the Landlord one or more written notice(s) setting out details of any defects which the Tenant has discovered in the 2/F Work. In which event, the Landlord shall then arrange with the relevant contractors to remedy such defects.
- (l) All completed 2/F Work shall form part of the Premises and/or the Landlord's Fixtures and Fittings with effect on and from the 2/F Possession Date. The Tenant's agreements and obligations with respect to the Premises and/or the Landlord's Fixtures and Fittings under the Existing Lease and the New Lease shall apply, mutatis mutandis, to the 2/F Work.
- (m) For the purpose of this Clause, "**Defect Liability Period - 2/F Work**" means the relevant defect liability period to be agreed between the Landlord and the relevant contractors in respect of the relevant 2/F Work. The Landlord will notify the Tenant of the commencement date and the length of the Defect Liability Period - 2/F Work.

## **9. Insurance**

- (a) During the Term, the Tenant shall at its costs and expenses effect and maintain insurances in respect of the Premises on such conditions and requirements as may be determined by the Landlord, which shall be no less favourable than those set out in Clauses 3.10, 3.11 and 3.12 of the Principal Lease (which will apply, mutatis mutandis, to the New Lease).

- (b) The Tenant is obliged to pay the insurance premium of the above insurance policies.

#### **10. Compliance with Government Notice**

- (a) During the Term, the Tenant will at its costs and expenses comply with any notice and order issued by the Government authority in respect of the Premises and/or the fixtures and fittings therein and thereto (each being a "**Government Notice**") save to the extent that such Government Notice is caused by all or any of the following events (collectively, the "**Excluded Matters**"):-
  - (i) any intentional act, willful default, gross negligence committed by the Landlord in the course of its execution of the 2/F Work or the Landlord's Works; and
  - (ii) any material breach of the Landlord of its obligations under the New Lease.
- (b) The Landlord will at its costs and expenses comply with such Government Notice caused by any of the Excluded Matters.
- (c) For the avoidance of doubt, the Tenant will at its costs and expenses comply with any notice or order issued by any Government authority in respect of the Alterations.

#### **11. Indemnification of Landlord**

The Tenant undertakes to indemnify and hold harmless the Landlord on demand against any and all losses, damage, costs, expenses, claims, demands and liabilities incurred or suffered by the Landlord arising from or in connection with the occupation and/or use of the Premises during the Term and the indemnity obligations of Diamond Sparkling and/or the Tenant (where applicable) under the Existing Lease will apply, mutatis mutandis, to the New Lease, save to the extent that the subject liability for which the Tenant shall otherwise be liable to indemnify the Landlord is caused by all or any of the Excluded Matters.

#### **12. Exclusion of Landlord's Liability**

The Landlord's exclusion of liability provisions under Section VI and Clause 10.12 of the Principal Lease will apply, mutatis mutandis, to the New Lease, save to the extent that the subject liability for which the exclusion shall otherwise apply is caused by all or any of the Excluded Matters.

#### **13. Yield Up Condition**

Save and except as expressly provided in Clause 6 (Handover) hereof, upon the expiration or sooner determination of the New Lease, the Tenant will yield up vacant possession of the Premises together with the Landlord's Fixtures and Fittings and the Alterations (where applicable) in such state and condition and in all other respects in accordance with Clause 3.27 in Section III of the Principal Lease (which will (save to the extent which is inconsistent with or contradictory to this Letter) apply, mutatis mutandis, to the New Lease).



#### **14. External Wall**

During the Term, the Tenant will allow the Landlord to use any external wall of the Premises (but excluding the windows) at the nominal consideration of HK\$1 for lawful advertisement purpose (such external wall or (as the case may be) such part thereof from time to time used and occupied by the Landlord for advertisement purpose as aforesaid is known as the "**the said External Wall**") provided that the Landlord and the Tenant will enter into a licence agreement (in such form and terms as mutually agreed between the Landlord and the Tenant) in relation to such use of the said External Wall which shall contain, inter alia, the following conditions:-

- (a) the advertising materials attached by the Landlord on or to the said External Wall will not prejudice the goodwill and image of the Tenant (the Tenant's determination of which will be final and binding on the Landlord);
- (b) during the period when the Landlord is using and occupying the said External Wall for advertisement purpose:
  - (i) notwithstanding any provision in this Letter providing to the contrary, the Tenant is not obliged to keep and maintain the said External Wall (but not further or otherwise) in accordance with the terms and conditions of this Letter; and
  - (ii) the Landlord will keep and maintain the said External Wall in a good, clean, tenantable, substantial and proper repair and condition (fair wear and tear and/or latent, structural or inherent defects excepted);
- (c) the Landlord will obtain and maintain all necessary consents, approvals, permits and waivers for such use; and
- (d) the Landlord will acquire and maintain sufficient insurance(s) in relation to such use and endorse the Tenant's interest on such insurance(s).

#### **15. Cold Store License**

At the expiration or sooner determination of the New Lease, the Tenant will use its best endeavors to transfer the cold store license in respect of the Premises (if any) to the Landlord or (as directed by the Landlord) one of the Landlord's designated entities at the Landlord's costs and expenses.

#### **16. Sale and Redevelopment**

Notwithstanding any provision to the contrary contained in this Letter, if at any time during the Term the Landlord shall resolve to sell or redevelop or undertake major renovation of the Premises or any major part thereof whether wholly by demolition and rebuilding or otherwise, or partially by renovation, refurbishment or otherwise, then in such events the Landlord shall be entitled to give to the Tenant one (1) year's notice in writing terminating the New Lease and immediately upon the expiration of such notice period the New Lease and all matters therein contained shall cease to take effect but without prejudice to the rights and remedies of either party against the other in respect of any antecedent claim or breach of any of the agreements or stipulations therein set out.

**17. Lifts**

**(a) If:**

(i) at any time during the Term, either the Landlord or the Tenant received a written certification by OTIS Elevator Company ("**OTIS**") confirming that any of the lifts in the Premises has the following safety Issues (each being a "**Safety Issue**", and such lift affected by the Safety Issue as so certified by OTIS is known as "**the said Lift**"):

- (1) the said Lift is not in a safe working order; and/or
- (2) said Lift if used or operated, or continued operated, will cause a risk of injury to any person using the said Lift or damage to any property, and

(ii) the Safety Issue is not caused by or arising from:

- (1) any act, default, negligence or omission of the Tenant or its sub-tenant(s) or licensee(s) and/or their respective servants, agents, contractors, licensees or invitees (but excludes proper use); or
- (2) any breach by the Tenant of its obligations under the New Lease;

then the following provisions shall apply:

(A) the Landlord will as soon as practicable and at its own costs and expenses investigate the Safety Issue and will at its reasonable endeavours attempt to resolve the Safety Issue; and

(B) if the Landlord and the Tenant have mutually agreed (each acting reasonably) that the said Lift has become beyond repair and needs to be replaced, the Landlord will at its costs and expenses replace the said Lift and acquire sufficient insurance(s) for the replacement work during the period when the Landlord executes the replacement work and (insofar as practicable so to do) endorse the Tenant's interest on such insurance(s) provided that the Tenant shall permit and cause to be permitted such replacement work to be carried out by the Landlord or any of its representatives, agents and contractors at the Premises or any part(s) thereof for such period as may be determined by the Landlord at its discretion. After duly completing the relevant replacement work, the new lift which is used to replace the said Lift, shall form part of the Landlord's Fixtures and Fittings when the same is handed over to the Tenant.

(b) For the avoidance of doubt, nothing herein shall prejudice the Tenant's obligation to keep and maintain the lifts of the Premises (which form part of the Landlord's Fixtures and Fittings) in accordance with the terms and conditions of the New Lease.

**18. Formal Lease**

(a) Save as expressly provided in this Letter and/or being inconsistent or contradictory with the terms of this Letter, the New Lease shall substantially be on the same terms and conditions of the Existing Lease.

- (b) The definitive agreement in respect of the leasing of the Premises to be executed by the Landlord and the Tenant pursuant to this Letter shall be the Principal Formal Lease (as hereinafter defined).
- (c) The Tenant hereby irrevocably undertakes to the Landlord that (i) it shall, on or before the Term Commencement Date, execute a formal lease agreement in respect of the leasing of the Premises (in the form satisfactory to the Landlord) (the "**Principal Formal Lease**") and (ii) it shall, within seven (7) days from the date of the Landlord's delivery of the engrossment of such Principal Formal Lease but in any event before the Term Commencement Date, return to the Landlord the Principal Formal Lease (in duplicate) duly executed by the Tenant and attested. The Tenant shall at its own cost and expense do or cause to be done all such further acts and things and execute or procure the execution of all such documents, instruments and/or forms as the Landlord may from time to time reasonably require for the purpose of giving the Landlord the full benefit of the provisions of this Letter and the New Lease respectively.
- (d) The Principal Formal Lease will contain the terms and conditions of this Letter and other terms and conditions of the New Lease in the manners set out in sub-clause (a) above.

**19. Legal Cost, Stamp Duty and etc.**

- (a) Each party will bear its own costs and expenses in preparing, approving and completing this Letter and/or the Principal Formal Lease.
- (b) All adjudication fee (if any), stamp duty (if any) and land registration fee (if any) payable on this Letter and the Principal Formal Lease will be borne by the parties in equal shares.
- (c) The Landlord will be responsible for lodging this Letter for adjudication and stamping within the statutory period(s) of time, and it will return to the Tenant one counterpart of this Letter which is duly adjudicated and stamped within seven (7) days after the Landlord's receipt of the same from the Stamp Office.
- (d) The Landlord will be responsible for lodging the Principal Formal Lease for adjudication and (where required) stamping with the Stamp Office and registration with the Land Registry within the statutory period(s) of time, and it will return to the Tenant one counterpart of the Principal Formal Lease which is duly stamped and registered within seven (7) days after the Landlord's receipt of the same from the Land Registry.
- (e) You hereby undertake to deliver a cheque to us in an aggregate sum of HK\$427,937 drawn in favour of "The Government of the HKSAR" being the half share of the estimated amount of stamp duty payable on this Letter.

**20. Release of Guarantee, Share Charge and Floating Charge**

Upon the expiration or sooner determination of the Existing Lease and subject to the full and due execution of the security documents as required under Clause 5(c) and the production of the Legal Opinions, the Landlord shall discharge the Existing Tenant Share Charge, the Existing Guarantee and the Existing Floating Charge within one hundred (100) days after (i) the Term Commencement Date; and (ii) the settlement by Diamond Sparkling and/or the Tenant of the last outstanding claim made by the Landlord arising from the

Existing Lease, the Licence Agreement and/or the Approval Letter for any arrears of Rent, rates, Government rent and other charges payable by Diamond Sparkling and/or the Tenant and for any breach, non-observance or non-performance of any of the covenants by Diamond Sparkling and/or the Tenant prior to the expiration or sooner determination of the Existing Lease and/or the Licence Agreement, whichever shall be the later.

## 21. Restrictive Covenants

- (a) The Tenant hereby irrevocably and unconditionally undertakes with the Landlord that, at any time during the Term, the Tenant shall not, and shall ensure that the subsidiaries and affiliates of Daido Group Limited shall not, directly or indirectly, without the prior written consent of the Landlord, either on its own account, or for the account of any person:
- (i) carry on, operate, manage, invest in or engage in any business providing cold storage services and/or climate-controlled facilities in Hong Kong and/or any activity or business which competes, or is likely to compete, either directly or indirectly, with such business ("**Cold Storage Business**") other than the business of providing cold storage warehouse services and/or climate-controlled facilities currently carried out at the Premises by the Tenant ("**Existing Business**") or provide (or agree to provide) any cold storage services in Hong Kong, or have any financial interest in, or form any formal or informal, paid or gratuitous, working relationship with any person in Hong Kong, which may be in conflict with the interest of, or in competition with the cold storage business or services from time to time conducted by, the Landlord and/or its affiliate(s);
  - (ii) solicit, induce or assist any person engaged or about to be engaged in or having an interest in any Cold Storage Business or cold storage services in Hong Kong (other than the Existing Business) whether or not for gain;
  - (iii) cause, induce, or attempt to cause or induce, any customer, supplier, licensor, licensee, consultant, agent or other business relation of the Landlord or its affiliate(s) as at the date of this Letter or within two (2) years prior to the date of this Letter, to cease doing or reduce its level of business with the Landlord or its affiliate(s) or in any way to interfere with its relationship with the Landlord or its affiliate(s); or
  - (iv) solicit or entice away from the Landlord or its affiliate(s) any of its directors, officers, employees or other representatives, whether or not such person would commit any breach of contract by reason of leaving the service of the Landlord or its affiliate(s).

The Tenant confirms and agrees that all the restrictions contained in this Clause 21 are reasonable in all circumstances and if one or more of such restrictions should be held invalid as an unreasonable restraint of trade for whatsoever reason but would be adjudged reasonable if any part or parts thereof were deleted or the periods thereof reduced, or the range of activities reduced or area dealt with thereby reduced in scope, the said restrictions shall apply with such modifications as may be necessary to make them valid and effective. The Tenant further confirms and agrees that a breach of any of the restrictions by Daido Group Limited or any of its subsidiaries and affiliates will constitute a breach of the Tenant under this Clause 21.

For the purpose of this Clause, “person” shall include any individual, partnership, corporation, company, trust, unincorporated association or organization or governmental body.

- (b) Without prejudice to any other rights the Landlord may have by law or in equity, the Tenant agrees and acknowledges that money damages or monetary compensation will not be an adequate remedy if any restriction under this Clause 21 is breached and that the Landlord may, in addition to any other legal or equitable remedies, seek an injunction or similar equitable relief against such breach or threatened breach.

## **22. Contracts (Rights of Third Parties) Ordinance**

Except the Landlord’s successors and assigns of the Premises, no third party has right to directly enforce any provision of this Letter and the Principal Formal Lease pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap.623), and the parties hereto agree that, save and except as aforesaid, this Letter and the Principal Formal Lease shall be excluded from the application of the Contracts (Rights of Third Parties) Ordinance (Cap.623).

## **23. Governing Law**

This Letter and the New Lease are governed by and shall be construed in accordance with the laws of Hong Kong Special Administrative Region of the People’s Republic of China (“Hong Kong”).

This Letter constitutes our binding offer to Brilliant on the New Lease. Upon acceptance and acknowledgement of our offer to lease the Premises as herein provided by counter-signing this Letter by the Tenant, this Letter will constitute a binding agreement between the Tenant on one part and the Landlord on the other part upon the terms and conditions of this Letter (the “**Transaction**”). The Landlord and the Tenant hereby agree that, notwithstanding any provision in this Letter to the contrary, the transactions as contemplated under this Letter and the obligations therein are subject to the compliance of the applicable requirements under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited.

If for whatever reasons either of Brilliant or Kwai Hei Investments (the “**Defaulting Party**”) shall fail to execute the Principal Formal Lease or shall fail to proceed with the Transaction in accordance with the terms and conditions herein after this Letter has been accepted and acknowledged by the Tenant, or shall be in breach of any of the terms and conditions of this Letter (but fails to rectify the breach within 14 days upon receiving a demand for so doing from the Non-defaulting Party (as hereinafter defined)), the other party (the “**Non-defaulting Party**”) will be entitled (but not obliged) to enforce against the Defaulting Party all the terms and conditions of this Letter and the New Lease and treat this Letter as constituting a final and binding lease for the New Lease which shall be deemed to commence on the Term Commencement Date in accordance with the terms and conditions in this Letter and (insofar as the terms and conditions thereof are not inconsistent with or contradictory to this Letter) the Existing Lease as if the same are set out herein in full, and then in such event, the Defaulting Party shall pay the Non-defaulting Party the Rent and all sums and outgoings which Brilliant is liable to pay under this Letter and the New Lease and Brilliant and Kwai Hei Investments shall duly observe the terms and conditions of this Letter and the Existing Lease as if the same are set out herein in full throughout the Term, but without prejudice to the Non-defaulting Party’s right to forthwith terminate this Letter by serving a written notice to such effect on the Defaulting Party and to claim against the Defaulting Party all loss and damage sustained or incurred by the Non-defaulting Party as a result of the Defaulting Party’s default or

breach committed prior to such termination or to enforce the Non-defaulting Party's other rights or remedies against the Defaulting Party due to such default or breach of the Defaulting Party.

Should you have any question, please feel free to contact our Mr. Ronnie Ng on 852-2331 6333. Thank you for your attention.

Yours faithfully,

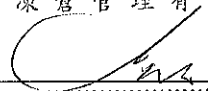
  

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For and on behalf of **Kwai Hei Investments No.1 Limited**

Accepted this offer and agreed to comply with all the terms and conditions contained therein by:-

*For and on behalf of*  
**BRILLIANT COLD STORAGE MANAGEMENT LIMITED**  
光輝凍倉管理有限公司


  

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*Authorized Signature(s)*  
For and on behalf of **Brilliant Cold Storage Management Limited** 光輝凍倉管理有限公司  
Date: 27 December 2024

Acknowledged this offer and agreed to comply, and cause its subsidiaries and affiliates to comply, with any and all the terms and conditions set out in Clause 21 "Restrictive Covenants" by:

*For and on behalf of*  
**Daido Group Limited**  
(Incorporated in Bermuda and its members' liability is limited)

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*Authorized Signature(s)*  
For and on behalf of **Daido Group Limited**,  
a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 544)  
Date: 27 December 2024

**Schedule 1**  
(Fixtures and Fittings – Handover)

Particulars	Qty	Location	Brand/Model
Compressor	4	3/F	Copeland/6MU1-40X
Compressor	4	4/F	Copeland/6MU1-40X
Compressor	4	5/F	Copeland/6MU1-40X
Compressor	4	6/F	Copeland/6MU1-40X
Compressor	4	7/F	Copeland/6MU1-40X
Compressor	4	8/F	Copeland/6MU1-40X
Compressor	4	9/F	Copeland/6MU1-40X
Compressor	4	10/F	Copeland/6MU1-40X
Compressor	4	11/F	Copeland/6MU1-40X
Compressor	4	12/F	Copeland/6MU1-40X
Compressor	4	15/F	Copeland/6MU1-40X
Compressor	4	16/F	Copeland/6MU1-40X
Compressor	4	17/F	Copeland/6MU1-40X
Condenser	4	3/F	DMW/AC40
Condenser	4	4/F	DMW/AC40
Condenser	4	5/F	DMW/AC40
Condenser	4	6/F	DMW/AC40
Condenser	4	7/F	DMW/AC40
Condenser	4	8/F	DMW/AC40
Condenser	4	9/F	DMW/AC40
Condenser	4	10/F	DMW/AC40
Condenser	4	11/F	DMW/AC40
Condenser	4	12/F	DMW/AC40
Condenser	4	15/F	DMW/AC40
Condenser	4	16/F	DMW/AC40
Condenser	4	17/F	DMW/AC40
Unit Cooler (Indoor Unit)	4	3/F	DMW/LL40
Unit Cooler (Indoor Unit)	4	4/F	DMW/LL40
Unit Cooler (Indoor Unit)	4	5/F	DMW/LL40
Unit Cooler (Indoor Unit)	4	6/F	DMW/LL40
Unit Cooler (Indoor Unit)	4	7/F	DMW/LL40
Unit Cooler (Indoor Unit)	4	8/F	DMW/LL40
Unit Cooler (Indoor Unit)	4	9/F	DMW/LL40

Particulars	Qty	Location	Brand/Model
Unit Cooler (Indoor Unit)	4	10/F	DMW/LL40
Unit Cooler (Indoor Unit)	4	11/F	DMW/LL40
Unit Cooler (Indoor Unit)	4	12/F	DMW/LL40
Unit Cooler (Indoor Unit)	4	15/F	DMW/LL40
Unit Cooler (Indoor Unit)	4	16/F	DMW/LL40
Unit Cooler (Indoor Unit)	4	17/F	DMW/LL40
Cold Room Panel & Door	1	3/F	KTL
Cold Room Panel & Door	1	4/F	KTL
Cold Room Panel & Door	1	5/F	KTL
Cold Room Panel & Door	1	6/F	KTL
Cold Room Panel & Door	1	7/F	KTL
Cold Room Panel & Door	1	8/F	KTL
Cold Room Panel & Door	1	9/F	KTL
Cold Room Panel & Door	1	10/F	KTL
Cold Room Panel & Door	1	11/F	KTL
Cold Room Panel & Door	1	12/F	KTL
Cold Room Panel & Door	1	15/F	KTL
Cold Room Panel & Door	1	16/F	KTL
Cold Room Panel & Door	1	17/F	KTL
Refrigeration Control & Monitoring System	1	3/F	Dixell
Refrigeration Control & Monitoring System	1	4/F	Dixell
Refrigeration Control & Monitoring System	1	5/F	Dixell
Refrigeration Control & Monitoring System	1	6/F	Dixell
Refrigeration Control & Monitoring System	1	7/F	Dixell
Refrigeration Control & Monitoring System	1	8/F	Dixell
Refrigeration Control & Monitoring System	1	9/F	Dixell
Refrigeration Control & Monitoring System	1	10/F	Dixell
Refrigeration Control & Monitoring System	1	11/F	Dixell
Refrigeration Control & Monitoring System	1	12/F	Dixell
Refrigeration Control & Monitoring System	1	15/F	Dixell
Refrigeration Control & Monitoring System	1	16/F	Dixell
Refrigeration Control & Monitoring System	1	17/F	Dixell
Control Box for Individual Refrigeration System	1	3/F	BELDEN
Control Box for Individual Refrigeration System	1	4/F	BELDEN
Control Box for Individual Refrigeration System	1	5/F	BELDEN
Control Box for Individual Refrigeration System	1	6/F	BELDEN
Control Box for Individual Refrigeration System	1	7/F	BELDEN



Particulars	Qty	Location	Brand/Model
Control Box for Individual Refrigeration System	1	8/F	BELDEN
Control Box for Individual Refrigeration System	1	9/F	BELDEN
Control Box for Individual Refrigeration System	1	10/F	BELDEN
Control Box for Individual Refrigeration System	1	11/F	BELDEN
Control Box for Individual Refrigeration System	1	12/F	BELDEN
Control Box for Individual Refrigeration System	1	15/F	BELDEN
Control Box for Individual Refrigeration System	1	16/F	BELDEN
Control Box for Individual Refrigeration System	1	17/F	BELDEN
Computer System and Networking Cable	1	3/F	BELDEN
Computer System and Networking Cable	1	4/F	BELDEN
Computer System and Networking Cable	1	5/F	BELDEN
Computer System and Networking Cable	1	6/F	BELDEN
Computer System and Networking Cable	1	7/F	BELDEN
Computer System and Networking Cable	1	8/F	BELDEN
Computer System and Networking Cable	1	9/F	BELDEN
Computer System and Networking Cable	1	10/F	BELDEN
Computer System and Networking Cable	1	11/F	BELDEN
Computer System and Networking Cable	1	12/F	BELDEN
Computer System and Networking Cable	1	15/F	BELDEN
Computer System and Networking Cable	1	16/F	BELDEN
Computer System and Networking Cable	1	17/F	BELDEN
Chiller Room Door	2	15/F	DANTE
Chiller Room Door	2	16/F	DANTE
Chiller Room Door	2	17/F	DANTE
30 HP Mitsubishi Daiya Air-conditioning	2	2/F	Mitsubishi