

DATE: 28 August 2025

FULLY FORT GROUP LIMITED
(as the Chargor)

IN FAVOUR OF

QUAM SECURITIES LIMITED
(as the Lender)

SHARE CHARGE

in respect of shares in
YUFENGCHANG HOLDINGS LTD

I n d e x

<u>Clause No.</u>	<u>Headings</u>	<u>Page No.</u>
1	Interpretation	2
2	Charging Provisions	3
3	Representations and Warranties	4
4	General Covenants	5
5	Dividends and Interest	7
6	Enforcement of Security	7
7	Third Parties Dealing with the Lender	8
8	Further Assurance	8
9	Power of Attorney	8
10	Release	10
11	Nature of Security	10
12	Miscellaneous	11
13	Assignment	13
14	Indemnity	13
15	Notices	13
16	Law and Jurisdiction	14

Schedule

1	Address and Facsimile Number for Notification	15
---	---	----

Execution

THIS CHARGE is dated **28 August 2025** (this “**Charge**”)

MADE BY:

FULLY FORT GROUP LIMITED, a BVI business company incorporated in the British Virgin Islands with limited liability (BVI Business Company No. 1953639) and having its registered office at Unit 8, 3/F., Qwomar Trading Complex, Blackburne Road, Port Purcell, Road Town, Tortola, British Virgin Islands (the “**Chargor**”).

IN FAVOUR OF:

QUAM SECURITIES LIMITED, a company incorporated in Hong Kong and having its registered office at 5/F and 24/F (Rooms 2401 and 2412), Wing On Centre, 111 Connaught Road Central, Hong Kong (the “**Lender**” or the “**Chargee**”).

WHEREAS:

- (A) **YUFENGCHANG HOLDINGS LIMITED** (裕豐昌控股有限公司) (the “**Company**”) is a company incorporated in Cayman Islands with limited liability and the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8631). As at the date of this Charge, the Company has an authorised share capital of HK\$30,000,000 divided into 300,000,000 shares (each a “**Share**”) of HK\$0.1 each in the capital of the Company of which 40,000,000 Shares have been issued and are fully paid or credited as fully paid.
- (B) By a loan Agreement (the “**Loan Agreement**”) dated 28 August 2025 made between the Chargor and the Chargee, the Chargee made available to the Chargor a loan facility (the “**Loan**”) in the aggregate principal amount of up to HK\$3,000,000 subject to and upon the terms and conditions therein for the purpose of financing the purchase price of all the issued Shares (other than those already owned by the Chargor and parties acting in concert with it), which are the subject of a proposed general offer (the “**Offer**”) to be made under The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong.
- (C) In consideration of the Chargee agreeing to make the Loan available to the Chargor, the Chargor has at the request of the Chargee agreed to enter into this Charge and charge the Charged Securities in favour of the Chargee subject to and upon the terms and conditions of this Charge.

NOW THIS CHARGE WITNESSES as follows:

1. INTERPRETATION

1.1 Words and expressions defined in the Loan Agreement shall, unless otherwise specified, have the same meanings when used herein.

1.2 In this Charge (including the Recitals hereto), except where the context otherwise requires:

“Charged Securities” means such Shares which the Chargor or his concerted parties may have acquired pursuant to the Offer (excluding the Initial Shares and the Charged Shares), including all dividends paid or payable thereon and stocks and shares, rights, monies and property accruing or offered at any time by way of substitution, redemption, bonus, preference, option, exchange, dividend, distribution, scheme of arrangement or organisation or otherwise to the same or in respect thereof.

“Disposition” means any sale, assignment, exchange, transfer, concession, loan, lease, surrender of lease, tenancy, licence, direct or indirect reservation, waiver, compromise, release, dealing with or in or granting of any option, right of first refusal or other right or interest whatsoever and includes any agreement so to do and **“Dispose”** and **“Disposal”** shall be construed accordingly;

“Encumbrance” means any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority of security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights of whatsoever nature and includes any agreement for any of the same and **“Encumber”** shall be construed accordingly;

“Event of Default” means any event or circumstance described as such in Clause 14 of the Loan Agreement;

“HK\$” mean the lawful currency for the time being of Hong Kong;

“Secured Obligations” means the Loan and the total from time to time of all principal, interest, costs, fees, expenses, charges and other amounts payable by the Chargor pursuant to, under or in connection with the Loan Agreement and including (without limitation):

- (1) the principal, interest, fees and all other amounts from time to time payable by the Chargor pursuant to, under or in connection with the Loan Agreement;
- (2) all costs, charges and expenses which may be incurred under or in connection with any other matter arising under or in consequence of this Assignment (including legal expenses) on a full indemnity basis; and
- (3) interest on all sums advanced and all other moneys payable hereunder at such rate as is applicable (both before and after judgment);

“Stock Exchange” means The Stock Exchange of Hong Kong Limited; and

“this Charge” means this instrument, as originally executed or amended from time to time.

1.3 Except to the extent that the context requires otherwise, any reference in this Charge to:

- (1) any document shall include that document as in force for the time being and as amended in accordance with the terms thereof or with the agreement of the parties thereto;
- (2) any enactment shall include the same as from time to time re-enacted, amended, extended, consolidated or replaced; and
- (3) a “**person**” includes any individual, company, corporation, firm, partnership, joint venture, association, organisation, unit or trust (in each case, whether or not having separate legal personality).

1.4 The headings and table of contents in this Charge are inserted for convenience only and shall be ignored in construing this Charge. Unless the context otherwise requires, references in this Charge to the singular shall include the plural and *vice versa* and references to one gender shall include all genders. Unless otherwise stated, references in this Charge to Clauses are to the clauses of this Charge.

2. CHARGING PROVISIONS

2.1 In consideration of the Lender agreeing to make available the Loan to the Chargor pursuant to the Loan Agreement, the Chargor as legal and beneficial owner hereby charges by way of first fixed charge the Charged Securities to the Lender as continuing security for the payment and discharge of the Secured Obligations.

2.2 The Chargor hereby undertakes that he shall forthwith upon signing of this Charge deliver to the Lender the following documents:

- (1) undated instrument(s) of transfer in respect of the Charged Securities duly executed in blank by the Chargor;
- (2) undated bought and sold notes in respect of the Charged Securities duly executed in blank by the Chargor; and
- (3) undated declaration of the Chargor that there is no lost of the certificate(s) as referred to in sub-paragraph (1) above.

2.3 The Chargor hereby undertakes that upon receipt of any further shares or securities of the Company or any dividends, rights, monies or property accruing or offered in respect of the Charged Securities or those further securities of the Company (if any), he shall forthwith deposit the same with the Lender or its nominee, together with the relevant instruments of transfer in favour of the Lender or any one or more of its nominees, or other applicable instrument of transfer acceptable to the Lender, all duly executed or if required by the Lender, in such form that the Lender may complete the due execution thereof (which completion on behalf of the Chargor, the Chargor hereby expressly authorises and ratifies).

3. REPRESENTATIONS AND WARRANTIES

3.1 The Chargor hereby represents and warrants to the Lender as follows:

- (1) he is the legal and beneficial owner of the Charged Securities free and clear of all Encumbrances and Dispositions and has good and marketable title thereto;
- (2) the Charged Securities are validly issued and in relation to the Shares constituting the Charged Securities, are fully paid or credited as fully paid;
- (3) the Charged Securities are not liable to any call, assessment or demand of any kind;
- (4) the execution, delivery and performance of this Charge by him will not violate in any respects any provisions of (a) any law or regulation or any order or decree of any governmental agency or court to which he is subject; or (b) any mortgage, charge, deed, contract or other undertaking or instrument to which he is a party or which is binding upon him or his assets, and the execution, delivery and performance of this Charge will not result in the creation or imposition of, or any obligation to create or impose, any Encumbrance on any of his assets, where in case of any contravention thereof, such contravention will not result in a material adverse effect;
- (5) this Charge constitutes his legal, valid and binding obligations and enforceable in accordance with the terms of this Charge;
- (6) the Shares constituting the Charged Securities are listed and traded on the Stock Exchange;
- (7) no litigation, arbitration or administrative proceeding is currently taking place or pending or threatened against the Chargor or his assets which if adversely determined would have a material adverse effect on the ability of the Chargor to perform his obligations under this Charge;
- (8) save for charge created under this Charge, the Loan Agreement and any other documents ancillary or indicated thereto as well as the transactions contemplated thereunder respectively there is no Encumbrances over any assets of the Chargor; and
- (9) the facts stated in the Recitals are true and correct in all respects.

3.2 The Chargor further represents and warrants to the Lender that so long as part of the Secured Obligations remains outstanding, each of the representations and warranties set out in Clause 3.1 will be correct and complied with in all material respects.

4. GENERAL COVENANTS

4.1 The Chargor hereby covenants with the Lender that so long as part of the Secured Obligations remains outstanding, he will:

- (1) promptly advise the Lender in writing of details of any litigation, arbitration or administrative proceeding which would have rendered the representation and warranty contained in any Security Documents incorrect had the same been current or threatened as at the date hereof immediately upon occurrence of the same;
- (2) shall and procure that all the Charged Securities be delivered to the Lender or its nominee according to the instructions of the Lender;
- (3) in all respects observe and comply with the covenants and obligations under this Agreement, the Loan Agreement and other documents to which he is a party;
- (4) promptly advise the Lender upon becoming aware of (i) any Event of Default; or (ii) any material adverse factor which may inhibit the Chargor or any of the Security Parties in the performance of his obligations under the Loan Agreement to which he is a party;
- (5) comply, and procure any of the Security Parties to comply, with the terms and conditions of all applicable laws, regulations, agreements, licences and concessions at all times;
- (6) ensure that the shares of the Company shall remain so listed and traded on GEM of the Stock Exchange throughout the term of the Loan Agreement save and except such scenario as set out in Clause 14.1(6) of the Loan Agreement;
- (7) warrant and defend his title to and the security interest in the Charged Securities hereby created in favour of the Lender against any and all claims of all persons whomsoever;
- (8) procure that at all times the Charged Securities are free from any restrictions on transfer;
- (9) punctually pay all calls or other payments due in respect of any of the Charged Securities and in case of default, the Lender may (but shall not be obliged to), if it thinks fit, make any such payment on behalf of the Chargor and in which event the Chargor shall reimburse the Lender on demand any reasonable sums so paid together with interest thereon at such rate of interest customarily charged by the Lender for overdue sums which is for the time being notified to the Chargor (both before and after judgment) from the date on which payment was made up to the date of full repayment;
- (10) at his own expense, subscribe and pay for all rights, shares, options, warrants or securities of the Company from time to time offered to the Chargor or the Lender by virtue of the holding of the Charged Securities;

- (11) duly perform, observe and comply with his obligations hereunder in all respects and in accordance with all laws and regulations applicable to the transactions contemplated hereby;
- (12) promptly advise the Lender in writing upon becoming aware of the occurrence of any event or any material adverse factor which may inhibit the Chargor in the performance of his obligations hereunder;
- (13) pay to the Lender on demand all costs, charges and expenses (including legal fees) on a full indemnity basis incurred by the Lender, in connection with the perfection or preservation of the security created by this Charge together with interest thereon at such rate of interest customarily charged by the Lender for overdue sums which is for the time being notified to the Chargor (both before and after judgment) calculated from the date on which the same are incurred by the Lender up to the date of payment by the Chargor;
- (14) promptly upon becoming aware inform the Lender of the occurrence of any Event of Default or potential Event of Default;
- (15) ensure that at all times the claims of the Lender against the Chargor hereunder will rank first in priority of payment and security against the claims of all his creditors;
- (16) do or permit to be done everything which the Lender may from time to time require to be done for the purpose of enforcing the Lender's rights hereunder and will allow the name of the Chargor to be used as and when required by the Lender for that purposes; and
- (17) at all time remain the legal and beneficial owner of the Charged Securities unless the Lender otherwise agrees in writing.

4.2 The Chargor covenants with the Lender that so long as any part of the Secured Obligations remains outstanding, without the prior written consent of the Lender, he will not:

- (1) except pursuant to or permitted by the Loan Agreement and any other documents ancillary or indicated thereto as well as the transactions contemplated thereunder respectively, or liens arising solely by operation of law, create or permit to exist any Encumbrance over the whole or any part of his assets;
- (2) except for a placement of the Charged Securities to be conducted for the purpose of restoring or maintaining the public float of the issued Shares and the release of the placed Shares shall be against full settlement of the Secured Obligations as well as the Loan Agreement and any other documents ancillary or indicated thereto as well as the transactions contemplated thereunder respectively, dispose of or transfer the rights in, create or permit to arise or subsist any Encumbrance over the Charged Securities or any part thereof or the

equity of redemption thereof under this Charge;

- (3) declare or cause to be declared or paid to himself any dividends, or demand or accept any payment from the Company by way of distribution, return of capital or otherwise howsoever in respect of the Charged Securities; or
- (4) permit or agree to any variation of the rights attaching to any of the Charged Securities.

4.3 If the Chargor defaults in performing his obligations under Clause 4.1(11), without prejudice to any rights of the Lender, the Lender may effect any such payment as may be required to be made by the Chargor or, as the case may be, subscribe to and pay for the rights or other issues and any money so paid by the Lender shall be repaid on demand together with interest thereon at such rate of interest customarily charged by the Lender for overdue sums which is for the time being notified to the Chargor in writing (as well after as before judgment) from the date on which payment is made to the date of full repayment, which shall until payment form part of the Secured Obligations.

5. DIVIDENDS AND INTEREST

5.1 Any dividends, payments, interest or other amounts on or with respect to the Charged Securities shall be paid to the Lender whether before or upon the security hereby constituted becoming enforceable and, shall be applied by the Lender in discharge of the Secured Obligations and if received by the Chargor shall be paid over to the Lender forthwith upon receipt and until such payment shall be held by the Chargor in trust for the Lender. The Chargor shall, if requested by the Lender, from time to time execute and deliver to the Lender dividend and interest mandates in respect of the Charged Securities.

6. ENFORCEMENT OF SECURITY

6.1 The Lender shall be entitled to declare all or any part of the security hereby created immediately enforceable on or at any time or times after a declaration is made by the Lender pursuant to Clause 14.2 of the Loan Agreement.

6.2 Upon the security hereby constituted becoming enforceable and at any time thereafter, the Lender may without prejudice to any of its rights under this Charge and without any notice to or further consent or concurrence by the Chargor exercise all rights including (i) procure the registration (if not previously registered) of all or any of the Charged Securities in the name of the Lender or its nominee and the Lender or its nominee shall enjoy all benefits attaching to the Charged Securities as if it were a sole beneficial owner thereof including without limitation the right to vote and to receive dividends (ii) sell or dispose of all or any part of the Charged Securities in such manner and for such consideration as the Lender may, in its absolute discretion, think fit, and (iii) procure the documents executed in escrow given pursuant to this Charge to be completed.

6.3 Upon the security hereby constituted becoming enforceable after the Lender

has given to the Chargor a prior written notice of its intention to dispose of the Charged Securities, the Lender shall be entitled to dispose of or appropriate to its own use and benefit (the last mentioned being treated as a sale at fair market value less costs incurred in such sale) the Charged Securities or any part thereof (provided that if it is by way of a judicial sale, the Lender or its nominee may obtain leave to bid) by such method, upon such terms and for such consideration (whether payable or deliverable immediately or by installments) as the Lender may in its absolute discretion determine with power to postpone any such Disposition and in any such case the Lender may exercise any and all rights attaching to the Charged Securities as it in its discretion may determine and without being answerable for any loss occasioned by such Disposition or resulting from postponement thereof or the exercise of such rights. The Chargor shall not have any claim against the Lender or its nominee in respect of any loss arising out of any such sale or any postponement thereof howsoever caused and whether or not a better price could or might have been obtained upon the sale of the Charged Securities or any of them by deferring or advancing the date of such sale.

6.4 All monies received by the Lender in respect of the Disposition by it of the Charged Securities or any part thereof or otherwise howsoever arising out of the exercise by the Lender of its power hereunder shall be applied in or towards payment of the Secured Obligations in such order as the Lender deems fit. If such proceeds are insufficient to discharge the Secured Obligations in full, then nothing contained in this Charge shall prejudice the rights of the Lender against the Chargor or any other person under this Charge in respect of such deficiency. In connection with any proposed Disposition, the Chargor hereby waives all rights to confidentiality in respect of the Charged Securities solely for such purpose.

6.5 For the purpose of assisting the Lender in the exercise of any rights conferred by this Clause 6, the Chargor hereby covenants that he will promptly execute such bought and sold notes, instruments of transfer, proxies and other documents as the Lender may require and will procure the registration of transfers of the Charged Securities and the entry of the Lender or such persons it may appoint in the register of members as the holder of the Charged Securities and give all necessary assistance to the Lender in arranging the registration of the transfer of the Charged Securities to the Lender or such persons it may appoint in the books of the Company and the entry of the Lender or such persons it may appoint in the register of members of the Company as the holder of the Charged Securities.

7. THIRD PARTIES DEALING WITH THE LENDER

7.1 The Chargor agrees that, upon any Disposal of the whole or any part of the Charged Securities or rights which the Lender shall make or purport to make under this Charge, a statement in writing signed by any director, officer or manager for the time being of the Lender that the security constituted hereby is enforceable and that the power of sale has become exercisable shall be conclusive evidence of the fact in favour of any purchaser or other persons to whom any of the Charged Securities or rights may be transferred. The purchaser or other person will take the Charged Securities or rights free of any right of the Chargor or any person claiming under it and the Chargor hereby undertakes to fully indemnify the Lender and keep the Lender fully indemnified against any claim which may be made against the Lender by such

purchaser or such other person by reason of any defect in his title to the Charged Securities or other rights.

7.2 Upon any Disposition of the Charged Securities or any part thereof under Clause 6.3, the purchaser shall not be bound to see or enquire whether the power of Disposition of the Lender has arisen in the manner herein provided and the Disposition shall be deemed to be within the power of the Lender and the receipt of the Lender for the purchase money shall effectively discharge the purchaser who shall not be concerned or be in any way answerable therefor.

8. FURTHER ASSURANCE

8.1 The Chargor agrees, at his own costs and expenses, to execute and do all assurances, acts, deeds and things as the Lender may reasonably require, and procure other interested parties so to do, for protecting or perfecting the security over all or any part of the Charged Securities or for facilitating the realisation of all or any part of the Charged Securities and the exercise of all powers, rights, remedies, authorities and discretions vested in the Lender. The Chargor shall, in particular, execute all transfers and assurances of all or any part of the Charged Securities whether to the Lender or to its nominees or purchasers and give all notices, orders and directions which the Lender may think expedient.

9. POWER OF ATTORNEY

9.1 As continuing security for the discharge of the Secured Obligations and the performance of its obligations hereunder and upon the security hereby constituted having become enforceable and at any time thereafter, the Chargor irrevocably appoints the Lender and any officer from time to time nominated by the Lender, each with full power of substitution and each with full power to act alone, to be his attorneys and in his name and on his behalf to sign, seal and deliver or otherwise execute and do all such assurances, deeds, acts, documents and things (whether as their own act or deed or otherwise) which, in the opinion of the Lender, it should execute or do pursuant to any of the terms of this Charge or for the purpose of giving the Lender the full benefit of this Charge and the security hereby created and generally to use his name in the exercise of all or any of the powers conferred on the Lender hereunder.

9.2 The Chargor hereby ratifies and confirms and covenants to ratify and confirm whatever such attorneys shall lawfully do or cause to be done by virtue of Clause 9.1.

10. RELEASE

10.1 As soon as reasonably practicable after the discharge of all the Secured Obligations (including provision for contingent liabilities in such manner and of such amount as may be determined by the Lender in its absolute discretion) and all obligations and liabilities under this Charge but subject to the rights of any other person which have arisen as a result of the exercise by the Lender of any of its powers, rights and remedies hereunder and the rights of any third party, the Lender shall take all steps that may be necessary to release and discharge the Charged Securities from the security hereby created and where appropriate, transfer the Charged Securities to

the Chargor or as the Chargor may direct and release the Chargor from the terms of this Charge.

10.2 Any release, discharge or transfer as mentioned in Clause 10.1 shall be in such form as the Lender shall approve and shall be made at the cost and expense of the Chargor. On any release of any of the Charged Securities, the Lender shall return the identical securities which were deposited, lodged, held or transferred.

10.3 Any release, discharge or settlement between the Chargor and the Lender shall be conditional upon no security, disposition or payment to the Lender by the Chargor or any other persons being avoided or reduced pursuant to any reason or ground whatsoever including without limitation any provisions or enactments relating to bankruptcy, liquidation or insolvency and in the event of any such avoidance or reduction, the Lender shall be entitled to enforce the provisions of this Charge against the Chargor subsequently as if such release, discharge or settlement had not occurred.

10.4 Clause 10.1 shall apply only in respect of such number of the Charged Securities as remains after the exercise of the rights, powers and remedies of the Lender in the event of the security conferred by this Charge becoming enforceable and shall not in any way restrict or be construed so as to restrict such rights, powers and remedies.

11. NATURE OF SECURITY

11.1 The security created by this Charge is in addition to and not in substitution for and shall not in any way affect or be affected by any other security or guarantee which the Lender may now or at any time hold or take from the Company, the Chargor or any other person in respect of the Secured Obligations.

11.2 The security created by this Charge shall not be considered satisfied or discharged by any intermediate payment or satisfaction of the whole or part of the Secured Obligations but shall be a continuing security and shall extend to cover any sum which shall for the time being constitute the balance due or expressed to be due from the Chargor to the Lender in respect of the Secured Obligations.

11.3 After the security constituted by this Charge has become enforceable and for the purpose of enabling the Lender to sue or claim from the Company the full amount of the Secured Obligations and the obligations and liabilities of the Company or to preserve intact the liability of the Company or any other person, the Lender may at any time place and keep for such time as it may think prudent any amounts received, recovered or realised under this Charge or as a result of the exercise of any right conferred herein to and in a separate or suspense account to the credit of the Chargor or of such other person or transaction as it shall in its unfettered discretion think fit.

12. MISCELLANEOUS

12.1 The security hereby created and the rights of the Lender hereunder shall not be affected by any act, omission, fact, circumstance, matter or thing which, but for this provision, might operate to release or otherwise exonerate the Chargor from his obligations hereunder, including, without limitation, and whether or not known to the

Lender:

- (1) any time or indulgence granted to the Chargor or any other person;
- (2) the taking, variation, compromise, renewal or release of, or refusal or failure to perfect or enforce or realise any rights, remedies or securities against the Chargor or any other person;
- (3) any want of authority by any person purporting to act on behalf of the Chargor or any other person;
- (4) any amendment to, or variation of, the terms of this Charge;
- (5) the Chargor or any other person not being or ceasing to be legally liable for discharging any obligation or liability undertaken or purported to be undertaken on his behalf;
- (6) the illegality, invalidity or unenforceability of or any defect in any provision of this Charge;
- (7) the lapse or expiry of applicable limitation period;
- (8) the absorption, amalgamation, reconstruction or reorganisation or other change in the constitution of the Company or any other person;
- (9) the winding-up, liquidation or dissolution of the Company, the Lender, the Chargor or any other person; and
- (10) any other act, omission, event of thing whatsoever which but for this provision would or might afford an equitable defence to a surety or otherwise operate to discharge, impair or affect the obligations or liabilities of the Chargor hereunder.

12.2 This Charge shall continue to be effective or, as the case may be, shall be reinstated if at any time payment of any sums paid to the Lender or hereunder must be rescinded or otherwise repaid or restored by the Lender upon the bankruptcy or otherwise of the Chargor (whether as a fraudulent preference or otherwise).

12.3 For the purpose of discharging any Secured Obligations or of paying any moneys into a suspense account, the Lender may convert any moneys received, recovered or realised by the Lender under or pursuant to this Charge from their existing currency of denomination into the currency of the Secured Obligations and any such conversion shall be made at the open market selling rate of exchange for the currency of the Secured Obligations against the existing currency.

12.4 No payment to the Lender under this Charge pursuant to any judgment or order of any court or otherwise shall operate to discharge any obligation or liability of the Chargor in respect of which it was made unless and until payment in full shall have been received in the currency in which such obligation or liability was incurred. To the extent that the amount of any such payment shall, on actual conversion into

such currency, fall short of the amount of such obligation or liability expressed in that currency, the Lender shall have a further separate cause of action against the Chargor for the recovery of the amount of the shortfall.

12.5 The Chargor undertakes on demand fully and effectually to indemnify and at all times keep indemnified the Lender against any claim, demand, action, proceeding, liability, loss, damage, penalty, interest, cost, charge or expense, legal or otherwise, taken, made, threatened, sustained or incurred by or against the Lender for anything done, permitted or omitted in the exercise or purported exercise of any of the powers of the Lender under or pursuant to this Charge.

12.6 Save as may be expressly provided herein to the contrary, time is of the essence of this Charge. No failure or delay on the part of the Lender to exercise any power, right or remedy under this Charge shall operate as a waiver thereof nor shall a waiver by the Lender of any particular default by the Chargor affect or prejudice the power, right or remedy of the Lender in respect of any other default or any subsequent default of the same or a different kind nor shall any single or partial exercise by the Lender of any power, right or remedy hereunder preclude any other or further exercise thereof or the exercise of any other power, right or remedy. The powers, right and remedies provided in this Charge are not exclusive of any power, right and remedies but are cumulative and in addition to every other power, right and remedy now or hereafter existing at law, in equity, by statute or contract or otherwise.

12.7 If at any time any provision of this Charge is or becomes illegal, invalid or unenforceable in any respect, neither the legality, validity or enforceability of the remaining provisions of this Charge nor the legality, validity or enforceability of such provision shall in any way be affected or impaired thereby.

12.8 The Chargor hereby undertakes that he shall, entirely at his own expense, immediately upon demand by the Lender make, execute, do and perform, or cause or procure to be made, executed, done and performed, by him and/or use his best endeavours to procure to be made, executed, done and performed by other necessary parties (if any), all such further acts, agreements, assignments, assurances, bills, contracts, deeds, documents, evidences of indebtedness, indemnities instruments, letters, loan notes, notices, powers of attorney, promissory notes, receipts, securities, undertakings, matters and things as the Lender shall reasonably require to perfect or improve the security afforded or created, or intended to be afforded or created by this Charge.

12.9 A certificate of the Lender of the amount of the Secured Obligations outstanding and due at any time hereunder shall, in the absence of manifest error, be binding and conclusive on the Chargor.

13. ASSIGNMENT

13.1 This Charge shall be binding on and shall enure to the benefit of the parties and their respective executors, administrators, successors and assigns provided that the Chargor may not Dispose of his rights or obligations hereunder without the prior written consent of the Lender.

13.2 The Lender may at any time without the consent of the Chargor assign its rights and benefits hereunder or any part thereof to anyone. Such assignee shall have the same rights and benefits and/or obligations against the Chargor under this Charge as if it were an original party thereto in respect of its rights and benefits and/or obligations assigned to it. The Lender may disclose to a potential assignee or any other person proposing to enter into contractual arrangements with it in relation to this Charge such information about the Chargor as it may think fit.

14. INDEMNITY

14.1 Independently of any other terms, conditions and stipulations herein, the Chargor agrees that if, for any reasons whatsoever, his obligations under any of the provisions hereof is or becomes or proves to be unenforceable or shall be declared or adjudged to be illegal, invalid or unenforceable under any applicable law, he shall grant to the Lender a complete indemnity and will pay to the Lender all sums necessary to make good and to compensate the Lender for all losses, damages, costs, disbursements and liabilities suffered or incurred by the Lender as a direct or an indirect result of such illegality, invalidity or unenforceability.

15. NOTICES

15.1 Save as otherwise provided herein, all notices or other communications required or permitted hereunder:

- (1) shall be in writing and may be sent by postage prepaid mail (by airmail if to another jurisdiction), facsimile or personal delivery;
- (2) shall be sent to the relevant party at the facsimile number or address from time to time designated by that party to the other party, the initial facsimile number and address so designated by each party is set out in Schedule 1;
- (3) if sent by the Chargor shall be irrevocable but shall not be effective until actually received by the Lender;
- (4) if sent to the Chargor shall be deemed to have been given or made to and received by the Chargor (a) within three days after the date of posting, if sent by mail; (b) when delivered, if delivered by hand; and (c) on despatch, if sent by facsimile; and
- (5) shall be in the English language.

16. LAW AND JURISDICTION

16.1 This Charge shall be governed by and construed in accordance with the laws of Hong Kong.

16.2 The Chargor hereby irrevocably submits to the jurisdiction of the courts of Hong Kong and of any country in which it has assets and hereby irrevocably waives any objection to any proceedings in any such courts on the basis of *forum non-*

conveniens. The Chargor agrees that a judgment in any proceedings brought in any such courts may be enforced in any other jurisdiction by suit on the judgment or in any other manner permitted by law.

16.3 The Chargor hereby consents to the service of process out of the courts of Hong Kong by the mailing of a copy or notice thereof by postage prepaid mail to the address of the Chargor from time to time designated by the Chargor to the Lender pursuant to Clause 15.1(2) and confirms that failure by the Chargor to receive such copy or notice shall not prejudice due service.

16.4 The submission in Clause 16.2 is non-exclusive and the Lender reserves the right to proceed in any other jurisdiction having or claiming or accepting jurisdiction in respect thereto.

IN WITNESS whereof the Chargor has executed and delivered this Charge as a deed the day and year first above written

Schedule 1

Address and Facsimile Number for Notification

<u>Party</u>	<u>Address</u>	<u>Facsimile</u>
<u>The Chargor</u>	Flat 8, 3/F, Qwomar Trading Complex, Blackburne Road, Port Pucell Road Town, British Virgin Islands	-
<u>The Lender</u>	5/F and 24/F (Rooms 2401 and 2412), Wing On Centre, 111 Connaught Road Central, Hong Kong	-

SIGNED by
FULLY FORT GROUP LIMITED
in the presence of:

)
)
)

