

THIS AGREEMENT is made the 30th day of August 2024

BETWEEN

- (1) **HONG KONG TELECOMMUNICATION DIRECT SELLING CENTRE LIMITED**, a company incorporated in Hong Kong with limited liability whose registered address is situate at 24/F., Chun Wo Commercial Centre, 23 Wing Wo Street, Sheung Wan, Hong Kong (the “**Consignor**”); and
- (2) **KINSON GROUP COMPANY LIMITED**, a company incorporated in Hong Kong with limited liability whose registered address is situate at Shop H1, Carson Mansion, 4-6 Dung Fat Street, Tsuen Wan, Hong Kong (the “**Consignee**”, and together with the Consignor, the “**Parties**”, and each, a “**Party**”).

WHEREAS:

- (A) The Consignor is in the business of selling and distributing mobile phones, electrical devices and other ancillary or related products in Hong Kong (the “**Goods**”).
- (B) The Consignee wishes to be appointed as Consignor’s agent in selling of the Goods and wishes to obtain delivery of certain quantities of the Goods from the Consignor from time to time on a consignment basis for the purpose of sale by the Consignee in Consignees’ Premises (as defined below) to third parties (the “**Consigned Goods**”).
- (C) The Consignor is willing to deliver the Consigned Goods to the Consignee pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. CONSIGNMENT OF THE GOODS

- 1.1 The Consignor hereby appoints the Consignee as its agent for the sale of the Goods in the Consignee’s Premises (as defined below), and the Consignee hereby agrees to act in that capacity, subject to terms and conditions of this Agreement.
- 1.2 The Consignor shall deliver to the Consignee the Consigned Goods for the purpose of sale by the Consignee to the Consignee’s customers (the “**Customers**”). The Consignor shall deliver the Consigned Goods to the Consignee’s premises upon the request of Consignee from time to time (the “**Premises**”). All delivery and sale of the Consigned Goods will be on a consignment basis in accordance with the provisions hereof.
- 1.3 While this Agreement remains in effect, the Consignee may from time to time order the Consigned Goods from the Consignor at such prices and in such quantities to which the Consignor and the Consignee may agree.

- 1.4 The Consignee shall receive all the Consigned Goods delivered to the Premises and shall inspect the same immediately upon such delivery. The Consignee agrees to advise the Consignor immediately in writing of any discrepancy with the quantity, condition or quality (the “**Nonconforming Goods**”) and issues a notice on or before the 3rd day after delivery regarding such discrepancy.
- 1.5 Any Nonconforming Goods may be returned by the Consignee to the Consignor at the Consignor’s cost, provided that the Consignee notifies the Consignor in writing at least 7 days prior to such return.
- 1.6 Subject to **Clause 2.2**, the Consignee shall store all the Consigned Goods in the Premises in such a manner as to protect them from damage or deterioration.
- 1.7 For the purposes of **Clause 1.5** and subject to **Clause 2.2**, the Consignee hereby represents and warrants that the Premises designated herein is appropriate for and conducive to the storage of goods such as the Consigned Goods and shall permit the storage thereof free from hazards and damage of any nature whatsoever. If, for whatever reason, either Party believes or has reason to believe that the Premises are no longer appropriate for the proper storage of the Consigned Goods, the Parties shall, by mutual agreement, locate another premises suitable for the storage of the Consigned Goods. It shall be the responsibility of the Consignee, however, to maintain the Premises throughout the term of this Agreement in such manner so as to remain suitable for the storage of the Consigned Goods.
- 1.8 The Consignor shall have the right to inspect the Premises during business hours with reasonable prior notice.

2. TITLE AND RISK OF LOSS

- 2.1 The Consignor shall retain title to the Consigned Goods unless and until the Consignee sells them to a bona fide Customer in the ordinary course of the Consignee’s business, at which time title to the Consigned Goods sold will pass to that Customer. The Consignee shall not consign any of the Consigned Goods to anyone or sell any of the Consigned Goods to anyone on consignment except with the prior consent of the Consignor.
- 2.2 The risk in the Consigned Goods shall not pass to the Consignee, even when the Consigned Goods are delivered at the Premises. The Consignor assumes the risk of loss, theft or damage to the Consigned Goods until the sale by the Consignee to the Customers. The Consignor promises to replace or repair any Consigned Goods that are lost, stolen or damaged until the sale by the Consignee to the Customers. Notwithstanding that risk in the Products shall only pass to the Customers upon sale of the Consigned Goods by the Consignee to the Customers, full legal and equitable title and interest in any Consigned Goods supplied to the Consignee by the Consignor shall remain in the Consignor and shall not pass to the Consignee or the Customers until and to the extent that the Consignor shall have received payments in full of the Selling

Prices (as defined below) of the Consigned Goods sold by the Consignee to the relevant end Customers.

3. LIENS, ENCUMBRANCES AND INDEMNITY

- 3.1 Save and except for such security interests in respect of the Consigned Goods which may be granted by the Consignor to other third parties, the Consignee shall maintain the Consigned Goods free and clear of and from and against all liens and encumbrances of any nature whatsoever.
- 3.2 The Consignee shall indemnify and hold harmless the Consignor from and against any loss or damage caused by acts of the Consignee, which result in any such liens or encumbrances being placed upon any Consigned Goods. Notwithstanding anything to the contrary in this Agreement, the liability of Consignee under this Clause shall be limited to the Selling Prices of the Consigned Goods.
- 3.3 The Consignor shall indemnify and hold harmless the Consignee from and against any loss, damage, liability (including, but without limitation, all costs and expenses which the Consignee may reasonably incur in defending any proceedings) or claim from the Customers regarding the title, defects or otherwise of the Consigned Goods.

4. PRICE AND COMMISSION

- 4.1 The Consignor shall supply to the Consignee up-to-date copies of the list of the Selling Prices (the “**Selling Prices**”) of the Consigned Goods from time to time and give the Consignee not less than seven (7) days’ notice in writing of any alteration in such list of the Selling Prices. The Consignee shall sell the Consigned Goods to the Customers on such terms and at such Selling Prices to the Customers as prescribed in the list of Selling Prices by the Consignor from time to time.
- 4.2 In consideration of the services and the obligations undertaken by the Consignee hereunder, the Consignor shall pay the Consignee a commission (the “**Commission**”) at a rate equal to 5% of the Selling Prices.

5. PAYMENT

- 5.1 The Consignee shall prepare and send a monthly sales report in respect of the Consigned Goods (each a “**Sales Report**”) to the Consignor. The Sales Reports shall set forth a list of all the Consigned Goods sold to the Customers during the immediately preceding month.
- 5.2 On receipt of a Sales Report from the Consignee, the Consignor shall prepare an invoice (“**Invoice**”) calculated on the basis of the Selling Prices of all the Consigned Goods appearing on such Sales Report and shall send such Invoice to the Consignee.

- 5.3 No later than thirty (30) days after the date of each Invoice, the Consignee shall pay to the Consignor the amount appearing on the Invoice less the Commission payable by the Consignor to the Consignee by transfer of immediately available funds to an account designated by the Consignor or such other method or arrangement as may be agreed by the Consignor and the Consignee from time to time.
- 5.4 The Consignee is responsible for all credit risks regarding, and for collecting payment for, all the Consigned Goods sold by the Consignee to each Customer, whether or not the Consignee receives full payment from the Customer. The inability of the Consignee to collect the purchase price from any Customer for any Consigned Goods sold by the Consignee to such Customer shall not affect the Consignee's obligation to pay the Consignor for any Consigned Goods sold by the Consignee.

6. CONSIGNEE'S RESPONSIBILITIES

- 6.1 Subject to **Clause 2.2**, the Consignee shall secure and protect the Consigned Goods stored in the Premises from loss or damage using the same degree of care that the Consignee uses to protect its own products and stock, but in no event less than a commercially reasonable degree of care.
- 6.2 The Consignee shall keep a true record of all the Consigned Goods in its possession and shall give representatives of the Consignor access to such records during business hours with prior reasonable notice. The Consignee shall permit such representatives, during business hours, to make inventories of the Consigned Goods in the possession of the Consignee.

7. RETURN OF THE CONSIGNED GOODS

The Consigned Goods shall at all times be subject to the direction and control of the Consignor, and on Consignor's demand for the return of any Consigned Goods delivered under this Agreement and not theretofore purchased by any Customers, the Consignee shall promptly return such goods in accordance with the Consignor's reasonable instructions. In addition, the Consignee may return any Consigned Goods that it is unable to sell to the Customers. The Consignor shall bear the risk of loss and the expense of returning any Consigned Goods.

8. NO AUTHORITY TO ACT FOR CONSIGNOR

The Consignee shall conduct all of its business relating to the processing of the Consigned Goods in the Consignee's name and at the Consignee's cost and expense, and nothing herein shall authorize or empower the Consignee to assume or create any obligation or responsibility whatsoever, express or implied, on behalf or in the name of the Consignor, or to bind the Consignor in any manner, or to make any representation, warranty, or commitment on behalf of the Consignor, this Agreement being limited solely to the consignment of the Goods herein specified.

9. TERM AND TERMINATION

- 9.1 Unless earlier terminated pursuant to **Clause 9.2**, this Agreement shall have a term of three (3) years commencing retrospectively on 1 April 2024 and expiring on 31 March 2027, unless either Party has given the other Party written notice of its intention to terminate this Agreement at least sixty (60) days prior to the end of such period.
- 9.2 Without prejudice to the rights and remedies that may be claimed by either Party against the other, either Party may forthwith terminate this Agreement upon written notice to the other Party if:
- (a) the other Party breaches any provision of this Agreement (including its payment obligations under **Clause 5**) and such breach is not remedied by the other Party within fourteen (14) days after its receipt of written notice of such breach;
 - (b) a petition is presented or an order made for the winding up or bankruptcy (if applicable) of the other Party;
 - (c) the other Party proposes or commences negotiations with its creditors with a view to a general rescheduling of its debts or proposes or enters into any arrangement or composition with its creditors or having a receiving order made against it or a receiver or manager is appointed over all or any part of the undertakings, assets, rights or revenues of the other Party;
 - (d) the other Party becomes or is deemed to have become unable to pay its debts as defined in section 178 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong); or
 - (e) the other Party ceases, suspends or threatens to cease or suspend its business or substantially the whole of its business.
- 9.3 In the event of any such termination under **Clause 9.2** or on the expiration of this Agreement pursuant to **Clause 9.1** hereof:
- (a) all unsold Consigned Goods shall be returned by the Consignee at its own cost to the Consignor during the 30 day period immediately following the effective date of such termination;
 - (b) any Consigned Goods not returned to the Consignor within such 30 day period after such effective date of such termination shall be deemed to have been sold to the Consignee at the Selling Prices and shall be subject to the payment requirement set forth in **Clause 5** hereof (except that payment shall be immediately due and payable); and
 - (c) each Party shall promptly:
 - (i) return to the other Party all documents, records and tangible materials (and any copies) containing, reflecting, incorporating or based on the other Party's Confidential Information (as defined in **Clause 10**);

- (ii) permanently erase all of the other Party's Confidential Information from its computer systems; and
- (iii) certify in writing to the other Party that it has complied with the requirements of this **Clause 9.3(c)**.
- (d) **Clauses 10, 11.2, 12, 13, 20** and any liabilities arising from or in connection with antecedent breaches of this Agreement shall survive the expiration or termination of this Agreement.

10. CONFIDENTIALITY

10.1 From time to time during the term of this Agreement, either Party (the "**Disclosing Party**") may disclose or make available to the other Party (the "**Receiving Party**") information about its business affairs, goods and services, forecasts, confidential information and materials comprising or relating to intellectual property rights, trade secrets, third-party confidential information and other sensitive or proprietary information. Such information, as well as the terms of this Agreement, whether orally or in written, electronic or other form or media, and whether or not marked, designated or otherwise identified as "confidential" constitutes "**Confidential Information**" hereunder. Notwithstanding the foregoing, Confidential Information does not include information that, at the time of disclosure:

- (a) is or becomes generally available to and known by the public other than resulting from, directly or indirectly, any breach of this **Clause 10** by the Receiving Party or any of its representatives;
- (b) is or becomes available to the Receiving Party on a non-confidential basis from a third-party source, provided that the third party is not and was not prohibited from disclosing the Confidential Information;
- (c) was known by or in the possession of the Receiving Party or its representatives before being disclosed by or on behalf of the Disclosing Party;
- (d) was or is independently developed by the Receiving Party without reference to or use of, in whole or in part, any of the Disclosing Party's Confidential Information; or
- (e) must be disclosed under applicable law or rule, regulation or the requirements of the Stock Exchange, the Securities and Futures Commission or any other regulatory body or authority.

10.2 The Receiving Party shall:

- (a) protect and safeguard the confidentiality of the Disclosing Party's Confidential Information with at least the same degree of care as the Receiving Party would

protect its own Confidential Information, but in no event with less than a commercially reasonable degree of care;

- (b) not use the Disclosing Party's Confidential Information, or permit it to be accessed or used, for any purpose other than to exercise its rights or perform its obligations under this Agreement; and
- (c) not disclose any Confidential Information to any Person, except to the Receiving Party's representatives who must know the Confidential Information to assist the Receiving Party, or act on its behalf, to exercise its rights or perform its obligations under this Agreement.

The Receiving Party shall be responsible for any breach of this **Clause 10** caused by any of its representatives. At any time during or after the term of this Agreement, at the Disclosing Party's written request, the Receiving Party and its representatives shall, pursuant to **Clause 9.3(c)**, promptly return all Confidential Information (including copies) and all documents and tangible materials that contain, reflect, incorporate or are based on Confidential Information received under this Agreement.

11. REPRESENTATIONS AND WARRANTIES

11.1 Each Party represents and warrants to the other Party that:

- (a) it is a corporation duly organized, validly existing and in good standing in the jurisdiction of its incorporation;
- (b) it is duly qualified to do business and is in good standing in every jurisdiction in which such qualification is required for purposes of this Agreement;
- (c) it has the full right, corporate power and authority to enter into this Agreement, to grant the rights and licenses granted under this Agreement and to perform its obligations under this Agreement;
- (d) the execution of this Agreement by its representative whose signature is set forth at the end hereof has been duly authorized by all necessary corporate action;
- (e) when executed and delivered, this Agreement will constitute its legal, valid and binding obligation, enforceable against it in accordance with its terms;
- (f) it is in compliance with all applicable laws relating to this Agreement, the Consigned Goods and the operation of its business; and
- (g) it is not insolvent and is paying all of its debts as they become due.

11.2 The Consignor warrants to the Consignee that the Consigned Goods consigned to the Consignee by the Consignor under this Agreement shall comply with all statutory and regulatory requirements and the Consigned Goods are free from any defect in design, material or workmanship. The Consignor makes no other warranty whatsoever,

express or implied, with respect to the Consigned Goods or with respect to the merchantability of the Consigned Goods or the fitness of the Consigned Goods for any purpose.

- 11.3 The Consignor's obligation with respect to any defect in any of the Consigned Goods include, but not limited to, repair or replace the item or to refund the purchase price for that item. The Consignor is also liable for all loss or expense incurred or for any other direct, incidental or consequential damage.
- 11.4 The Consignee shall comply with all applicable laws, rules and regulations in selling the Consigned Goods.

12. INDEMNITY

Each Party undertakes to indemnify, upon demand, the other Party, against all or any costs, expenses (including reasonable and proper legal fees), fees, claims, actions, liabilities, demands, proceedings or judgments (including, but not limited to, all such losses, costs, charges or expenses suffered or incurred in disputing or defending any proceedings and/or in establishing its rights to be indemnified pursuant to **Clause 12** and/or in seeking advice in relation to any proceedings) brought or established against the other Party by any person which arises out of or in connection with any breach of any of the terms, warranties and representations contained in this Agreement and does not arise from the other Party's negligence, breach of this Agreement, fraud, bad faith or default.

13. NOTICES

- 13.1 Any notice or other document to be given under this Agreement shall be in writing and shall be delivered by hand or sent by post or facsimile transmission or email to the address and/or number of the Party to be served as stated herein below or to such other addresses and/or numbers as may have been notified by such Party to the other Party by not less than 7 days' prior written notice:

(a) The Consignor:

Address: 24/F., Chun Wo Commercial Centre, 23 Wing Wo Street, Sheung Wan, Hong Kong
Fax No.: --
Email: siucxl@yahoo.com.hk
Attn: Mr. Siu Muk Lung

(b) The Consignee:

Address: Shop H1, Carson Mansion, 4-6 Dung Fat Street, Tsuen Wan, Hong Kong
Fax No.: 2581 2168
Email: hkmpacc@yahoo.com.hk
Attn: Ms. Katy Chau

- 13.2 Any such notice or other document shall be deemed to have been duly given upon receipt if delivered by hand, or immediately if sent by email, or if sent by facsimile transmission, upon the receipt of machine printed confirmatory answerback or other confirmation, or in the case of notice sent by post, it shall be deemed to have been given on the 3rd day after posting if the address is in Hong Kong and on the 7th day after posting if the address is outside Hong Kong. In proving the giving of a notice, it shall be sufficient to prove that the notice was left or that the envelope containing such notice was properly addressed and posted or that the applicable means of telecommunication was properly sent or received (as the case may be).

14. ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Parties in connection with the subject matter of this Agreement and supersedes all previous proposals, representations, warranties, agreements or undertakings relating thereto whether oral, written or otherwise and no Party has relied on any such proposals, representations, warranties, agreements or undertakings.

15. TIME

15.1 Time shall be of the essence of this Agreement.

15.2 No time or indulgence given by any of the Parties to the other shall be deemed or in any way be construed as a waiver of any of its rights and remedies hereunder.

16. ASSIGNMENT

No Party shall assign, transfer, sub-contract or in any other manner pass over to any third party the benefit and/or burden of this Agreement without the prior written consent of the other Party.

17. COSTS AND EXPENSES

Each Party shall bear its own legal and professional fees, costs and expenses incurred in the negotiation, preparation and execution of this Agreement and other documents incidental thereto and in connection therewith.

18. VARIATION OF AGREEMENT

No variation of or amendment to this Agreement shall be effective unless reduced in writing and signed by both Parties.

19. INVALID PROVISIONS

If any provision of this Agreement is invalid or unenforceable, then the remainder of this Agreement shall not be affected thereby, provided however, that if any provision is invalid or unenforceable, then a suitable and equitable provision which will be valid and enforceable, shall be substituted therefore, in order to carry out, as far as possible, the intent and purpose of the invalid and unenforceable provision.

20. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of Hong Kong and the Parties irrevocably submit to the non-exclusive jurisdiction of the Hong Kong Courts.

21. COMPLIANCE WITH LISTING RULES AND APPLICABLE LAWS

- 21.1 The Parties hereby acknowledge that the Consignee is a subsidiary of HK Asia Holdings Limited (“**HK Asia**”), the shares of which are listed on the main board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), and HK Asia is subject to the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).
- 21.2 The Parties hereby agree that, notwithstanding any provision in this Agreement to the contrary and so long as the shares in HK Asia are listed on the Stock Exchange, the transactions as contemplated under this Agreement and the obligations and duties of the Consignor and the Consignee are subject to the compliance of the applicable requirements under the Listing Rules and other relevant laws and regulations by HK Asia.
- 21.3 The Consignor hereby undertakes to the Consignee that so long as the shares in HK Asia are listed on the Stock Exchange, the Consignor will allow the auditors and other professional parties of HK Asia to have (for the professional parties’ reporting purpose to HK Asia) sufficient access to the Consignor’s records of the transactions to be conducted as contemplated by this Agreement.

22. NO THIRD PARTY RIGHT

The Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) shall not apply to this Agreement and unless specifically herein provided no person other than the parties to this Agreement shall have any right under it nor shall it be enforceable by any person other than the parties to this Agreement.

IN WITNESS WHEREOF this Agreement has been executed under hand by or on behalf of the Parties hereto the day and year first above written.

SIGNED by *Mr. Sin Muk Lung, director*)

for and on behalf of)

HONG KONG TELECOMMUNICATION)
DIRECT SELLING CENTRE LIMITED)

in the presence of:-)

Mr. Alfred Chan)

Cham Sin

For and on behalf of
HONG KONG TELECOMMUNICATION DIRECT SELLING CENTRE LIMITED
香港電信直銷中心有限公司

.....
Authorized Signature(s)

SIGNED by *Mr. Sin Muk Lung, director*)

for and on behalf of)

KINSON GROUP COMPANY LIMITED)

in the presence of:-)

Mr. Alfred Chan)

Cham Sin

For and on behalf of
KINSON GROUP COMPANY LIMITED
京訊集團有限公司

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Authorized Signature(s)