

DUPLICATE or COUNTERPART

Original Stamped with



From: LOYAL TALENT INTERNATIONAL LIMITED

Room 2205, Universal Trade Centre,

3 Arbuthnot Road, Central, Hong Kong

To:

Smart Ease Development Limited

72-76/F., Two International Finance Centre,

8 Finance Street, Central, Hong Kong

Gain Sheen Investment Limited

19/F, Tower 2, Admiralty Centre,

No. 18 Harcourt Road, Hong Kong

Dear Sirs,

Re: All that area on 5th floor of 18 On Lan Street, Hong Kong erected on The Remaining Portion of Section A of Inland Lot No. 2113, Subsection 1 of Section A of Inland Lot No. 2113, Inland Lot No. 2114, Inland Lot No. 2115 and Inland Lot No. 2116 (hereinafter called "the Premises")

RENEWAL OFFER TO LEASE

We, the tenant hereby offer to renew our existing tenancy of the Premises described below on the following principal terms and conditions and subject to payment to the Landlords the following Rent (Clause 9), Management Fee (Clause 11), Government Rates (Clause 12) and other charges, fees and amounts (collectively "the Other Charges") as set out in this renewal offer to lease ("this Renewal Offer"):

THE LANDLORDS

1.1 Name:

SMART EASE DEVELOPMENT LIMITED GAIN SHEEN INVESTMENT LIMITED ("the Landlords")

1.2. Registered Office/Principal Place of

Business in Hong Kong:

72/F-76/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong

2. THE TENANT

2.1 Name:

(corporate tenant)

LOYAL TALENT INTERNATIONAL LIMITED

("the Tenant")

2.2. Certificate of Incorporation No.:

2818043

2.3. Business Registration No.:

2.4. Registered Office/Principal Place of

Business in Hong Kong:

Room 2205, Universal Trade Centre, 3 Arbuthnot Road, Central, Hong Kong

2.5. Contact Person:

Ms. Rosita Tsang

2.6. Contact Number:

+852 2200 7002

2.7. Email Address:

rositatsang@jiagroup.co

2.8. If there are two or more corporations included in the expression "the Tenant" (if any), covenants expressed to be made by the Tenant shall be deemed to be made by such corporations jointly and severally.

3. LANDLORDS' SOLICITORS

3.1. Name and Address:

LO & LO

7th Floor, World-Wide House, No.19 Des Voeux Road Central,

Hong Kong

3.2. Contact Person:

Ms. Cecilia Mok

3.3 Phone Number:

+852 2213 0289

4. THE PREMISES

All that area on 5th floor of 18 On Lan Street, Hong Kong (as shown on the floor plan attached hereto and thereon colored pink for identification purpose only) of the commercial development known at the Land Registry as erected on The Remaining Portion of Section A of Inland Lot No. 2113, Subsection 1 of Section A of Inland Lot No. 2113, Inland Lot No. 2114, Inland Lot No. 2115 and Inland Lot No. 2116, Hong Kong ("the Building").

5. THE FLOOR AREA

The gross floor area ("the Gross Floor Area") of the Premises is <u>2,464</u> square feet which measurement is accepted by the Tenant as correct and accurate.

6. USER

Restricted to the operation of a high-end french restaurant led by a Michelin-star chef under the trade name of "MONO" only and for no other purpose. The Tenant shall be responsible for obtaining all necessary licenses and approval required by any government departments and public authority in connection with the operation of its business at the Premises and the lawful use of the Premises. The Landlords do not warrant that the Premises is fit for such purpose or any particular purpose. The Tenant shall submit its application for such licences and/or approvals to the Landlords for their review and approval before submitting the same to the relevant Authority. The Tenant understands however that, any such approval given by the Landlords does not in any way represent and shall not be deemed to be approval of the application given by the relevant Government Authority. The Tenant agrees that the Landlords do not warrant that the application for any relevant licence will be successful and this Offer to Lease will remain binding and effective no matter The Tenant obtains any relevant licence or not and the Tenant shall in no circumstance claim against the Landlords for compensation in any form whatsoever.

For the avoidance of doubt, the Tenant hereby acknowledges that no warranty whatsoever has been made by the Landlords as to the number of shops in the Building that carry or will carry on business which is the same or similar to the business to be carried on by the Tenant at the Premises as mentioned in this Clause 6. The Tenant further agrees that the Landlords shall have absolute discretion to let the other shops in the Building to any person or corporation for any purpose and the Landlords shall not be responsible for any loss of business or any other loss or damage that may be suffered by the Tenant as a result of the carrying on business of whatsoever nature by the other tenants of the other shops of the Building.

BUSINESS HOURS

The Tenant shall keep the Premises open for business to the public from 12:00 p.m. to 12:00 a.m. ("the **Business Hours**") every day on all days of the year throughout the Fixed Term including Sundays, Gazetted and General holidays.

8. TERM OF TENANCY:

(i) Fixed Term ("the Fixed Term"):

Three (3) Year(s)

(ii) Fixed Term commencement date ("the Commencement Date"):

23rd September 2022

(iii) Fixed Term expiry date ("the Expiry Date"):

22nd September 2025

(iv) Option to Renew (if any):

Nil

9. MONTHLY RENT:

Monthly Rent ("the Rent")

(i) Yr. 1-3 (Fixed Term):

Monthly Basic Rent ("the Monthly Basic Rent"):

HK\$ 160,160.00 per month payable monthly in advance on the 1st day of each calendar month without any deduction, counterclaim or set-off (whether legal or equitable) or right to withhold; and

(ii) Yr. 1-3 (Fixed Term):

Additional Turnover Rent ("the Additional Turnover Rent"):

9% of monthly gross turnover less the Monthly Basic Rent without any deduction of the Tenant's business carrying out on, in, at or from the Premises throughout the Fixed Term. This Additional Turnover Rent shall apply for the whole Fixed Term. The Tenant agrees that the calculation, mechanism and provisions in respect of the Additional Turnover Rent as stated in Schedule 3 attached hereto shall form part of this Renewal Offer.

The Monthly Basic Rent and the Additional Turnover Rent are hereinafter referred to as "the Rent".

10. RENT-FREE PERIOD(S):

Nil

11. MANAGEMENT FEE ("the Management Fee"):

HK\$ 13,325.00 per month subject to periodic reviews by the Landlords or the manager of the Building ("the Property Manager") payable by the Tenant to the Landlords monthly in advance on the 1st day of each calendar month without any deduction, counterclaim or set-off (whether legal or equitable) or right to withhold.

12. GOVERNMENT RATES ("the Government Rates"):

HK\$ 6,550.00 per month being the Provisional Government Rates calculated at 5% or such other rates as the Government may from time to time determine of the Rent per month, and the Government Rates shall be adjusted when it has been assessed by the Government of the Hong Kong Administrative Region ("the Government") payable by the Tenant to the Landlords monthly in advance on the 1st day of each calendar month without any deduction, counterclaim or set-off (whether legal or equitable) or right to withhold.

13. GOVERNMENT RENT (if any) ("the Government Rent"):

Government Rent in respect of the Premises will be borne solely by the Landlords.

14. DEPOSIT:

(i) Rental Deposit:

A cash deposit in the sum of <u>HK\$ 480,480.00</u> equivalent to THREE (3) Month's Monthly Basic Rent payable during the Fixed Term payable.

(ii) Premises Damage and Reinstatement Deposit:

HK\$ 80,080.00 (equivalent to half (½) month's the Monthly Basic Rent payable during the Fixed Term.

15. STAMP DUTY:

All stamp duty, registration fees (if any) and disbursements arising out of this Renewal Offer and the Renewal Tenancy Agreement shall be borne and paid by the parties equally and the Tenant shall provide the Landlords with a cheque issued in favour of the Landlords' solicitors or The Government of the HKSAR for payment of its half share of the aforesaid stamp duty upon the signing of this Renewal Offer.

16. LEGAL COSTS:

The legal costs of the Landlords' solicitors for preparation, completion, execution and registration (if required) of this Renewal Offer shall be borne and paid by the parties hereto in equal shares Provided that if the Tenant shall instruct a separate firm of solicitors to act for it, then each party shall bear its own legal costs. It is hereby expressly declared by the Tenant that the Landlords and its Agent have urged the Tenant to seek independent legal advice in connection with and before signing this Renewal Offer.

17. <u>PERSONAL GUARANTOR(S) (if any):</u>

Nil

18. (A) Subject to the Landlords' right of deduction under the existing tenancy agreement dated 25th October 2019 made between the Landlords and the Tenant in respect of the Premises ("the Existing Tenancy Agreement"), the following payments to be transferred from the relevant deposits paid by the Tenant to the Landlords under the Existing Tenancy Agreement upon the expiration of the term of the Existing Tenancy Agreement:

	*	Period/Basis	Amount
(i)	Rental Deposit:	Three (3) months' Monthly Basic Rent paid as rental deposit under the Existing Tenancy Agreement to be transferred to this Renewal Offer or the Signed Renewal Tenancy Agreement (as the case may be)	HK\$ 480,480.00
(ii)	Premises Damage and Reinstatement Deposit:	The premises damage and reinstatement deposit being half (½) month's Monthly Basic Rent paid as premises damage and reinstatement deposit under the Existing Tenancy Agreement to be transferred to this Renewal Offer or the Signed Renewal Tenancy Agreement (as the case may be)	HK\$ 80,080.00
		Total:	HK\$ 560,560.00

(B) The following balance of rental deposit and balance of premises damage and reinstatement deposit to be made by the Tenant to the Landlords upon signing of this Renewal Offer:

Balance of deposit		Period/Basis	<u>Amount</u>	
<u>(i)</u>	Balance of Rental Deposit in cash after taking into account of the transfer under Clause 18(A) above:	5	HK\$	0.00
(ii) Balan and R taking transf	Balance of Premises Damage and Reinstatement Deposit after taking into account of the transfer under Clause 18(A) above:		HK\$	0.00
		Total:	HK\$	0.00

19. TERMS AND CONDITIONS

The parties agree that the Terms & Conditions set out in Schedule 1, 2 and 3 form an integral part of this Renewal Offer.

All the terms and conditions of the renewal tenancy agreement of the Premises shall be the same as the Existing Tenancy Agreement save and except (i) those terms and conditions which are inconsistent with this Renewal Offer and (ii) the option clause, rent free period, if any contained in the Existing Tenancy

Agreement; and the terms and conditions under this Renewal Offer shall also be incorporated into the renewal tenancy agreement ("the Renewal Tenancy Agreement").

20. CONTRACTS (RIGHTS OF THIRD PARTIES) ORDINANCE (CAP. 623)

No person, firm, company or corporation who is not a party to this Renewal Offer shall have any right under the Contracts (Rights of Third Parties) Ordinance to enforce any term of this Renewal Offer except and to the extent that this Renewal Offer expressly provides otherwise. Application of the Contracts (Rights of Third Parties) Ordinance is hereby expressly excluded.

21. AIR POLLUTION CONTROL DEVICES WITHIN THE PREMISES

The Tenant acknowledges that it is required to install at least two or more types of air pollution control devices within the Premises, which shall be equipped with the combined application of an electrostatic precipitator (EP) plus either a hydrovent, grease filter (Metallic Filter), UV-C Lamp Exhaust Hood or the equivalent, as well as appropriate exhaust air pollution control equipment that meet the requirements of the Food and Environmental Hygiene Department and Environmental Protection Department. The Tenant shall be responsible for regular cleaning and maintenance of such system and ensuring that the MVAC installation on the premises shall not create a nuisance to other Tenants or the public.

	22. <u>TENANT'S RENEWA</u>	L OFFER					
	The Tenant attaches hereto a in the sum of HK\$ 4,808.00 pa Duty stipulated in Clause 15 here	yable to "The Government of the HK reof.					
	The Tenant understands and agrees that this Renewal Offer Letter shall be irrevocable by the Tand shall be binding to the Landlords and the Tenant upon acceptance by the Landlords.						
Please signify your acceptance of the aforesaid terms and conditions by signing and returning Renewal Offer to us.							
	Yours faithfully, For and on behalf of LOYAL TALENT INTERNATIONAL LIMITED	Confirmed and accepted by, SMART EASE DEVELOPMENT LIMITED	Confirmed and accepted by, GAIN SHEEN INVESTMENT LIMITED				
For and LOYAL 朗	on behalf of TALENT INTERNATIONAL LIMITED 駿 阿	For and on behalf of SMART EASE DEVELOPMENT LIMITE 傑格發展有限公司	P. and on behalf of 盈兆投資有限公司 AIN SHEEN INVESTMENT LIMITED				
		Director	Authorized Signature(s)				
	Date: 19 Aug 2022 Title: Director	Date : Title: 2 4 AUG 2022	Date: 29 AUG 2022 Title: DIPFTER				

SCHEDULE 1

TERMS AND CONDITIONS

1 TERM OF TENANCY

The Tenant acknowledges that it shall be a condition precedent to the grant of the renewal tenancy, notwithstanding the Renewal Tenancy Agreement may have been executed, that the Tenant shall continue to pay all rental and other charges payable by the Tenant under the Existing Tenancy Agreement and to observe and perform all the terms and conditions therein on the Tenant's part to be observed and performed, until its expiry, failing which, the Landlords shall be entitled to terminate this Renewal Offer Letter or the Signed Renewal Tenancy Agreement, as the case may be, by written notice to the Tenant, without incurring any liability towards the Tenant.

2 UTILITY CHARGES

The Tenant agrees to pay and discharge punctually during the Fixed Term all charges (including all Deposits) in respect of water, gas, electricity, light, power, telephones, telecommunications and any other utility as may be shown by the separate meter or meters installed upon the Premises or by accounts rendered to the Tenant.

3 DEPOSIT

3.1 The Deposit shall be retained by the Landlords throughout the Fixed Term (subject to the Landlords' right to forfeit the Deposit) without payment of interest to the Tenant subject to the Landlords' right to terminate this Renewal Offer and to forfeit the Deposit as liquidated damages and not as penalty as a result of any breach or non-observance or non-performance by the Tenant of any of the covenants, agreements, stipulations, obligations or conditions herein contained.

3.2 Landlords' Right to Deduct

- 3.2.1 Notwithstanding the foregoing, the Landlords may in any such event at its option elect not to terminate this Renewal Offer and forfeit the Deposit but (without prejudice to any other Landlords' right or remedy) to deduct and apply the Deposit or any part thereof paid or to enforce the bank guarantee provided (if any) in payment of (i) the amount of any arrears of Rent and Other Charges payable hereunder by the Tenant (if any); and (ii) any costs, expenses, loss or damage sustained by the Landlords in consequence of the breach or non-observance or non-performance by the Tenant of any of the covenants, agreements, stipulations, obligations or conditions herein contained.
- 3.2.2 In the event of any deduction being made by the Landlords from the Deposit in accordance with the provisions of this Renewal Offer during the Fixed Term, the Tenant shall (without prejudice to the other rights and remedies of the Landlords which rights and remedies are hereby reserved) forthwith on demand pay to the Landlords a sum or sums equal to the amount so deducted and any failure by the Tenant so to do shall entitle the Landlords forthwith to re-enter upon the Premises and to determine the Renewal Tenancy pursuant to the provisions of this Renewal Offer.
- 3.3 Subject as aforesaid, the Deposit shall be refunded to the Tenant by the Landlords without interest by cheque within thirty (30) days after the expiration or sooner determination of the Fixed Term and delivery up of the possession to the Landlords of the Premises in accordance with Clause 11 of this Schedule 1 and after settlement of the last outstanding claim by the Landlords against the Tenant for any arrears of Rent and Other Charges payable pursuant to the

provisions of this Renewal Offer or the Signed Renewal Tenancy Agreement and for any breach, non-observance or non-performance of any of the undertakings, agreements, stipulations, terms and conditions in this Renewal Offer or the Signed Renewal Tenancy Agreement contained and on the part of the Tenant to be observed or performed and after the Tenant's submission of the statement of turnover for the Fixed Term and the Option Term.

4 ACCEPTANCE OF RENEWAL OFFER

- 4.1 Notwithstanding anything to the contrary contained herein or otherwise, the Tenant acknowledges and declares that:
 - 4.1.1 There shall be no legally binding agreement between the parties for the grant of the renewal tenancy of the Premises unless and until the Landlords have accepted and signed this Renewal Offer, whereupon there shall be a legally binding agreement between the parties.
 - 4.1.2 Once this Renewal Offer is signed and accepted by the Landlords, this Renewal Offer shall continue in full force and effect until superseded by the Signed Renewal Tenancy Agreement.
- 4.2 After acceptance of this Renewal Offer, the Landlords shall send a signed and dated copy of this Renewal Offer to the Tenant, either by facsimile or by email and the Tenant's counterpart Offer shall be sent to the Landlords' solicitors to arrange for stamping.

5 SIGNING OF RENEWAL TENANCY AGREEMENT

- 5.1 Subject to Clause 1 of this Schedule I, should the Tenant fail or refuse to execute the Renewal Tenancy Agreement prepared by the Landlords' solicitors and the Fixed Term has commenced, the Tenant shall, throughtout the Fixed Term, observe and perform all the terms and conditions under this Renewal Offer and the terms and conditions in the Existing Tenancy Agreement save and except (i) those terms and conditions which are inconsistent with this Renewal Offer and (ii) the option to renew and rent free period (if any) contained in the Existing Tenancy Agreement as if these terms and conditions have been incorporated into and formed part of this Renewal Offer.
- 5.2 Notwithstanding any failure by the Tenant for whichever reason to execute the Renewal Tenancy Agreement, the Tenant agrees to bear and pay all stamp duty, registration fee (if any) and disbursements arising out of this Renewal Offer in equal shares with the Landlords as stipulated in Clause 16 of this Renewal Offer.

6 SALE OR REDEVELOPMENT AND REFURBISHMENT

6.1 In the event that the Landlords intends to sell the Premises or the Building or any part thereof which includes the Premises directly to any purchaser or indirectly to any purchaser through a change in the person or persons who owns or own its shares (voting or otherwise) or who otherwise has or have control in the shareholdings of the Landlords and/or its immediate holding company (such intentions shall be sufficiently evinced if a Board Minutes certified by the Company Secretary of the Landlords has been produced), then notwithstanding any terms and conditions under this Renewal Offer or the Signed Renewal Tenancy Agreement and notwithstanding any laws providing otherwise, the Landlords shall have the right to terminate this Renewal Offer or the Signed Renewal Tenancy Agreement by giving the Tenant not less than six (6) months' prior written notice ("the Termination Notice"). Upon the date of termination of this Renewal Offer or the Signed Renewal Tenancy Agreement as stipulated in the Termination Notice ("the Termination Date"), the Renewal Tenancy of the Premises hereby granted shall be terminated and any option to renew under this Renewal Offer and/or

the Signed Renewal Tenancy Agreement (if any, and whether the same has been exercised by the Tenant or not) as well as any unexpired Rent-Free Period (if any) shall also be cancelled and terminated, but such termination shall be without prejudice to either party's right to claim losses and damages against the other party arising from any antecedent breach that may have already occurred. The Tenant shall not be entitled to claim any losses or damages or otherwise against the Landlords should the Landlords exercise its right under this Clause to terminate the Renewal Offer or the Signed Renewal Tenancy Agreement and/or to cancel any Option to Renew (if any, and whether the same has been exercised by the Tenant or not) and/or to forfeit any unexpired Rent-Free Period (if any). Upon the termination as aforesaid, the Tenant shall reinstate the Premises in accordance with Clause 11 of this Schedule 1 and deliver vacant possession of the Premises in such reinstated condition on the Termination Date.

In the event that the Landlords intend to redevelop, refurbish, demolish or renovate this 6.2 Building or any part thereof which includes the Premises (such intention shall be sufficiently evinced if a Board Minutes certified by the Company Secretary of the Landlords has been produced), then notwithstanding any terms and conditions under this Renewal Offer or the Signed Renewal Tenancy Agreement and notwithstanding any laws, providing and regardless whether the Landlords intend to demolish the whole Building for redevelopment or to renovate the Building or any part(s) thereof, the Landlords shall have the right to terminate this Renewal Offer or the Signed Renewal Tenancy Agreement by giving the Tenant not less than six (6) months' prior written notice ("the Landlords' Termination Notice"). Upon the date of termination of this Renewal Offer or the Signed Renewal Tenancy Agreement stipulated in the Landlords' Termination Notice ("the Tenancy Termination Date"), the Renewal Tenancy shall be terminated and any option to renew under this Renewal Offer or the Signed Renewal Tenancy Agreement (if any, and whether the same has been exercised by the Tenant or not) as well as any unexpired Rent-Free Period shall also be cancelled and terminated, but such termination shall be without prejudice to either party's right to claim losses and damages against the other party arising from any antecedent breach that may already have occurred. The Tenant shall not be entitled to claim any losses or damages or otherwise against the Landlords when the Landlords exercise its right under this Clause to terminate this Renewal Offer or the Signed Renewal Tenancy Agreement and to cancel any Option to Renew (if any, and whether the same has been exercised by the Tenant or not) and to forfeit any unexpired Rent-Free Period. Upon the termination as aforesaid, the Tenant shall reinstate the Premises in accordance with Clause 11 of this Schedule 1 and deliver vacant possession of the Premises in such reinstated condition on the Tenancy Termination Date.

7 RESTRICTION AGAINST ALIENATION OF TENANCY

The Tenant shall not assign, transfer or otherwise deal with or part with its interests or benefits under this Renewal Offer without the prior written consent of the Landlords (which consent may be withheld at the sole discretion of the Landlords). This Renewal Offer shall be personal to the Tenant who shall not nominate any other person to take up this Renewal Offer.

8 THE TENANT'S OBLIGATIONS

- 8.1 The Tenant shall pay the Rent and Other Charges on the day and in the manner hereinbefore provided for payment thereof and in banknotes if so demanded without any deduction, set-off, claims or counter-claims whatsoever (including but not limited to any money of whatever nature which the Landlords may owe to the Tenant).
- 8.2 If the Tenant shall fail to pay Rent and any of the Other Charges for over fourteen (14) days calculated from and inclusive of the due date, the Tenant shall notwithstanding anything in this Renewal Offer contained to the contrary, further pay to the Landlords on demand interest on any sum(s) payable pursuant to the provisions of this Renewal Offer at the rate of 0.05% per day from and inclusive of the due date until full payment provided that the demand and/or

receipt by the Landlords of interest payment in accordance with this Clause shall be without prejudice to and shall not affect the right of the Landlords to exercise any other right or remedy (including the right of re-entry) exercisable pursuant to the provisions of this Renewal Offer or otherwise and shall be without prejudice to and shall not affect the right of the Landlords to claim against the Tenant reasonable costs and expenses incurred by the Landlords in exercising such other rights and remedies.

9 THE TENANT'S RESTRICTIONS

- 9.1 Throughout the Fixed Term, the Tenant shall not encumber or obstruct or permit to be encumbered or obstructed with any goods, stock, merchandise, boxes, packaging or other obstruction of any kind or nature any of the entrances, exits, staircases, landings, passages, lifts, lobbies, courts, elevators, vestibles, corridors, halls or other parts of the Building in common use and not to leave rubbish or any other article or things in any part of the Building not in the exclusive occupation of the Tenant or the streets, pedestrian crossings and alleys within the vicinity of the Building.
- 9.2 If the Tenant shall have committed any breach of this Clause and fails to rectify such breach after receiving verbal or written warning from the Landlords or the Property Manager, it shall be lawful for the Landlords or its agent at any time thereafter to terminate this Renewal Offer or the Signed Renewal Tenancy Agreement (as the case may be) by giving fourteen (14) days' prior written notice to the Tenant and the Deposit shall be forfeited to the Landlords as liquidated damage and not as penalty but without prejudice to the rights and remedies of the Landlords to claim against the Tenant for all loss and damages suffered in respect of the aforesaid breach by the Tenant. Upon determination of this Renewal Offer or the Signed Renewal Tenancy Agreement as aforesaid, the Premises shall be reinstated to its original state and condition and the Tenant shall deliver vacant possession of the same to the Landlords in accordance with the provisions herein failing which the Landlords shall execute the said reinstatement works by its appointed contractors at the sole costs and expense of the Tenant. The Tenant shall pay to the Landlords any outstanding rent and other charges payable by the Tenant under this Renewal Offer or the Signed Renewal Tenancy Agreement upon the determination of this Renewal Offer or the Signed Renewal Tenancy Agreement. The Landlords shall be entitled to re-let the Premises or any part thereof to any third party on such terms and conditions as the Landlords shall in its absolute discretion deems fit and the Tenant shall not be entitled to claim against the Landlords for any loss damage or compensation in whatever form.

10 PROHIBITED SIGNS AND POSTER

The Tenant is strictly prohibited from posting adhering hanging or displaying any material or substance (including but not limited to any curtain, banner, hook, poster, pamphlet, brand name tag or logo or whatever materials or substance for advertising purpose or otherwise) on or onto any part of the glass shopfront and/or the glass entrance door and/or any space on the exterior of the Premises. The Tenant agrees that the decoration and display of merchandise closely behind the glass shopfront of the Premises shall not extend beyond 60% of the area of such glass shopfront and such decoration and display of merchandise shall not be installed by the Tenant until the design thereof has been submitted to and approved by the Landlords in writing. The Tenant further agrees that this Clause is a material term of this Renewal Offer and in the event of the Tenant's failure to observe and comply with this Clause, the Landlords shall have the right to terminate this Renewal Offer or the Signed Renewal Tenancy Agreement (as the case may be) and exercise the right of re-entry hereunder without any compensation to the Tenant. In such case, the Tenant shall have no right to raise any objection thereto and the Landlords shall be entitled to claim against the Tenant for any loss or damage sustained or may sustain as a result therefrom.

11 REINSTATEMENT

- The Premises Damage and Reinstatement Deposit stated in Clause 18 of this Renewal Offer is 11.1 paid to the Landlords to secure the due performance and observance of the Tenant's obligations for reinstatement of the Premises during and/or after expiration of the Fixed Term which sum shall be refunded to the Tenant without interest within thirty (30) days after the expiration or sooner determination of the Fixed Term or within thirty (30) days after reinstatement of the Premises by the Tenant to the satisfaction of the Landlords, whichever is the later. Without prejudice to any right of the Landlords in respect of the said deposit, if the Tenant shall fail to observe and perform the obligations as aforesaid, the Landlords shall be entitled to deduct from the Premises Damage and Reinstatement Deposit any damage or loss that the Landlords has suffered or may suffer in connection with the breach, non-observance or non-performance. If the Premises Damage and Reinstatement Deposit shall be insufficient to indemnify the Landlords' loss and damage, the Tenant shall pay to the Landlords such further sum as demanded by the Landlords to make up the shortfall. The Tenant shall also pay to the Landlords the amount so deducted from the Premises Damage and Reinstatement Deposit so that the same shall remain to be in the sum stated in Clause 14(ii) of this Renewal Offer at all times during the currency of the Fixed Term.
- 11.2 At the expiration or sooner determination of the Fixed Term, the Tenant has to deliver to the Landlords vacant possession of the Premises with the Landlords' Fixtures and Fittings in good, clean and tenantable repair condition and notwithstanding any rule of law or equity to the contrary together with such Tenant's fittings, fixtures, alterations or additions thereto as the Landlords in its absolute discretion may be willing to retain but without payment of any compensation for such Tenant's fittings, fixtures, alterations or additions and deliver to the Landlords all keys giving access to all parts of the Premises.
- Notwithstanding Clause 11.2 of this Schedule 1, the Tenant shall if required by the Landlords 11.3 at the Tenant's own costs and expenses remove all or any part of the Tenant's fittings, fixtures, alterations or additions in or to the Premises or any part thereof and reinstate the Premises to a "bare-shell" condition to the satisfaction of the Landlords. The interpretation of "bare shell" and "tenantable condition" shall be determined by the Landlords in its absolute discretion deems fit and the decision of the Landlords shall be final and binding. If the Tenant has accepted any fittings, fixtures, alterations or additions which shall have been installed or made by any previous occupiers of the Premises under the Existing Tenancy Agreement or any previous tenancy agreement under which the Premises was first handed over to the Tenant (collectively "the Pre-Lease Fixtures"), the Tenant agrees to be responsible for any repair or maintenance or replacement of the Pre-Lease Fixtures during the Fixed Term as if the Pre-Lease Fixtures were installed by the Tenant. The Landlords shall have the right to require the Tenant either to remove any or all of the Pre-Lease Fixtures and require the Tenant, upon determination of the Fixed Term, to make good any damage to the Premises caused by the installation or removal the Pre-Lease Fixtures or to leave behind any or all of the Pre-Lease Fixtures in the Premises without payment of any compensation for the Pre-Lease Fixtures so retained.
- 11.4 In particular, the Tenant agrees to carry out reinstatement works including but not limited to the followings:
 - 11.4.1 carry out physical and chemical cleansing of the fan coil units within the Premises; and
 - 11.4.2 reinstate the sprinkler heads to its original location.

12 DEFAULT BY TENANT

12.1 The Tenant further confirms that in the event the Tenant fails and/or refuses to observe and perform any of the terms and conditions under Clauses 8 to 11 of this Schedule 1, the Landlords

shall, upon serving written notice on the Tenant, have the general power to step in to rectify/remedy the failed obligations of the Tenant and all such costs and expenses incurred by the Landlords in exercise of such right and remedies shall be at the sole expense of the Tenant.

12.2 References to the "act or default of the Tenant" include:

- 12.2.1 acts or default or negligence of any permitted sub-tenant, or of anyone at the Premises with the Tenant's or any permitted sub-tenant's permission or sufferance; or
- 12.2.2 acts or default or negligence of the employees, staff, contractors, agents, licensees, authorized personnel, invitees or customers of the Tenant.

13 LANDLORDS' EXCLUSION OF LIABILITY

- 13.1 The Landlords shall not in any circumstances be liable to the Tenant or any other person whomsoever in respect of any loss of property, loss of profit, loss of goodwill caused by or through or in any way owing to:
 - 13.1.1 the overflow of water, influx of rain water or sea water into the Building or the Premises or the activities of rats or other vermins in the Building or the escape of fumes smoke fire or any other substance or thing from anywhere within the Building or caused as a result of burglary, robbery, riot, civil commotion, malicious damage, public gathering, public meeting or public procession or force majeure; or
 - 13.1.2 the defect in or breakdown or suspension of services of the lifts, escalators, fire, security, air-conditioning or other services of the Building; or
 - 13.1.3 fracture, malfunction, explosion, breakdown or suspension of the gas electricity telecommunication or water supply to the Building or the Premises; or
 - 13.1.4 the neglect or default of the tenants or occupiers of any other parts of the Building and their employees agents licensees contractors and visitors or
 - 13.1.5 any typhoon or other adverse weather condition.

Nor shall the Rent or other charges payable hereunder or any part thereof be reduced or abated or cease to be payable on account of any of the foregoing.

13.2 The Landlords shall not in any circumstances be liable to the Tenant or any other person whomsoever in respect of any personal injury or death caused by or through or in any way owing to any of the incidents or events as stipulated or listed in clauses 13.1.1 to 13.1.5 above. Nor shall the Rent or other charges payable hereunder or any part thereof be reduced or abated or cease to be payable on account of any of the foregoing.

14 CONFIDENTIALITY

The Tenant agrees and undertakes not to disclose the contents of this Renewal Offer and Renewal Tenancy Agreement (if applicable) to any third party without the prior consent of the Landlords unless disclosure is necessitated by a court order from the courts of Hong Kong or by notice from a relevant Hong Kong Government authority or by necessity on a need-to-know basis to senior management and professional advisers of the Tenant only in order for the Tenant to carry out its agreements, undertakings and obligations under this Renewal Offer or to the extent that such information has become public knowledge other than due to breach of this undertaking by the Tenant. If the Tenant is found to have negligently disseminated, disclosed, made available or permitted or suffered to permit the dissemination or disclosure of the terms

and conditions of this Renewal Offer, the Landlords hereby reserve its right to seek monetary damages equivalent to the breach committed WITHOUT PREJUDICE to the Landlords' right to seek remedies or claim against any antecedent breach committed by the Tenant in departure to its agreements and undertakings herein AND the Landlords reserve its right to terminate this Renewal Offer immediately with the Tenant's Deposit and Premises Damage and Reinstatement Deposit forfeited to the Landlords. Both Parties agree and acknowledge that pecuniary damages may not be a sufficient or adequate remedy in relation to the disclosure committed due to the damages arising from the disclosure being difficult to assess. The Landlords reserve its irrevocable right to pursue equitable and/or alternative remedies against the Tenant, including but not limited to injunctive relief.

15 NON-REGISTRATION OF THIS RENEWAL OFFER

The parties hereto agree and undertake that neither of them will present this Renewal Offer and the Signed Renewal Tenancy Agreement to the Land Registry for registration and this Renewal Offer and the Signed Renewal Tenancy Agreement shall not be registered in the Land Registry.

16 NAMING RIGHT

The Landlords shall reserve its irrevocable right to name and/or rename the Building at its absolute discretion without reference to or the approval of the Tenant and the Tenant shall not be entitled by reason thereof to claim compensation for any loss damage or inconvenience of whatsoever nature occasioned thereby.

17 <u>NUMBERING RIGHT</u>

The Landlords shall reserve its irrevocable right to change the numbering of the shop and the floor level at its absolute discretion without reference to or the approval of the Tenant and the Tenant shall not be entitled by reason thereof to claim compensation for any loss damage or inconvenience of whatsoever nature occasioned thereby.

18 ENTIRE OFFER

- 18.1 This Renewal Offer together with the Guarantee(s) (if any) supersedes any and all previous offers between the parties hereto, and constitutes the entire offer;
- 18.2 Any representation, warranty, statement or offer, whether oral or in writing heretofore made relating to any of the matters referred to herein are hereby expressly denied, negated and excluded, unless agreed or confirmed by the parties in writing.

19 INDEPENDENT AND SEVERABLE

Each and every part of the clause sub-clause term condition stipulation or provision in this Renewal Offer (save and except otherwise specified) shall be construed as an independent and severable part of this Renewal Offer. In the event that any part of the clause sub-clause term condition stipulation or provision is found to be illegal invalid or unenforceable, such part thereof shall be deemed to have been severed from this Renewal Offer and shall not affect the validity and enforceability of the other part of the clause sub-clause term condition stipulation or provision and any other parts of this Renewal Offer whatsoever.

20 GOVERNING LAW

This Renewal Offer shall be governed by and construed in accordance with the laws of Hong Kong. The parties submit all their disputes arising out of or in connection with this Renewal Offer to the non-exclusive jurisdiction of the Courts of Hong Kong.

SCHEDULE 2

THE LANDLORDS' FIXTURES AND FITTINGS AND OTHER SPECIAL CONDITIONS (if any)

1 <u>ELECTRICITY SUPPLY, PLUMBING AND DRAINAGE, SPLIT TYPE AIR CONDITIONING UNIT, FRESH AIR INTAKE AND EXHAUST DUCT(S) and GAS SUPPLY (if any)</u>

If the Tenant requires any upgrading / alteration / addition works of the electricity supply, plumbing and drainage, split type air conditioning unit, fresh air intake and exhaust duct(s) and or gas supply, such upgrading / alteration / addition works shall be subject to the technical feasibility for which detailed specifications and location plan(s) showing the proposed upgrading / alteration / addition works shall be submitted to the Landlords for prior checking and written approval. The Tenant agrees to bear all upgrading / alteration / addition works cost including consultancy fee (if any) and appoint the contractor(s) to be approved by the Landlords to carry out such upgrading / alteration / addition work. The Landlords shall not be responsible for the maintenance, repair, or replacement of the electricity cable for whatever reasons, the Tenant shall therefore be fully liable to consequences arising from the use of the said main electricity cable during the Fixed Term. At the expiration or sooner determination of the Fixed Term, the Tenant undertakes to reinstate the main electricity main cable, the air-conditioning system, the water supply pipe, the drain point, the fresh air ducts and exhaust air ducts and the gas pipe to their original state as provided by the Landlords to the Landlords' satisfaction.

1.1 ELECTRICITY SUPPLY

The Tenant acknowledges that the power supply of the sub-main cable with isolator to the Premises will be 160 AMP TPN. The Tenant shall apply electricity meter(s) at the Tenant's costs. If the Tenant requires any upgrading / alteration of the electricity supply, the Tenant agrees to bear all upgrading / alteration cost including consultancy fee (if any) and appoint the Landlords' approved contractor to carry out such upgrading / alteration work subject to its technical feasibility and the Landlords' prior approval. The Tenant understands that the Landlords shall not be responsible for the maintenance, repair, or replacement of the existing main cable connecting from the meter room to the Premises (if any) for whatever reasons. The Tenant shall therefore, be fully liable for the consequences arising from the use of the said main cable during the term of tenancy.

1.2 PLUMBING AND DRAINAGE

The Tenant acknowledges that there are ONE (1) no. of 35mm dia. potable water pipe, ONE (1) no. of 22mm dia. water pipe for the hydro-vent and TWO (2) nos. of 150mm dia. drainage point provided to the Premises. Any upgrading / alteration / addition works shall be subject to technical feasibility for which detailed specifications and location plan(s) showing the proposed upgrading / alteration / addition works shall be submitted to the Landlords for further checking and approval. All upgrading / alteration / addition works shall be carried out by the Landlords' approved contractor at the Tenant's own cost. The Tenant undertakes to conduct periodic cleaning and maintenance of the plumbing and drainage pipes at Tenant's own cost and Tenant shall exercise due care in conducting such cleaning and maintenance so as not to cause any nuisance to other tenants or occupiers of the Building.

1.3 SPLIT TYPE AIR-CONDITIONING UNIT

The Tenant acknowledges that there are <u>SIX (6)</u> nos. of split type air-conditioning units provided to the Premises. If the Tenant require any upgrading / alteration of the said air-conditioning unit, the Tenant agree to bear all upgrading / alteration cost including consultancy fee (if any) and appoint the Landlords' approved contractor(s) to carry out such upgrading / alteration work. The Tenant further agree that any upgrading / alteration work shall be subject to its technically feasibility and the Landlords' prior approval.

The Tenant shall be responsible for the regular cleaning and the upkeeping maintenance and repair of all air-conditioning system including all indoor and outdoor units as provided by the Landlords during the Term of Lease at our own costs and expenses absolutely. At the expiration or sooner determination of the tenancy, the Tenant shall clean up the air-conditioning system including all indoor and outdoor units and quietly deliver the same to the Landlords in a good clean and tenantable repair condition. For the avoidance of doubt, the Landlords shall not in any circumstance be liable to the Tenant for any defect in or breakdown of the said air-conditioning system including all indoor and outdoor units nor shall the rent or other charges abate or cease to be payable if the said air-conditioning system including all indoor and outdoor units shall breakdown or cease to operate.

1.4 FRESH AIR INTAKE AND EXHAUST DUCT(S)

The Tenant acknowledges that there are fresh air intake louver and exhaust air louver provided to the Premises which size and location to be designated by the Landlords. Any upgrading / alteration / addition works shall be subject to technical feasibility for which detailed specifications and location plan(s) showing the proposed upgrading / alteration / addition works shall be submitted to the Landlords for further checking and approval. All upgrading / alteration / addition works shall be carried out by the Landlords' approved contractor at the Tenant's own cost. The Tenant's undertake to conduct periodic cleaning and maintenance of the air louvers at the Tenant's own cost and the Tenant shall exercise due care in conducting such cleaning and maintenance so as not to cause any nuisance to other tenants or occupiers of the Building.

1.5 GAS SUPPLY

The Tenant acknowledges that Towngas supply is provided to the said premises. If the Tenant requests for upgrading/alteration/additional works for such Towngas supply after the handlover of the said premises, the Tenant agrees to bear all the upgrading/alteration/additional cost. All upgrading/alteration/additional works shall be carried out by the Landlords' approved contractor and subject to its technical feasibility and the Landlords' prior approval.

2 GREASE TRAP

The Tenant acknowledges that there is ONE (1) no. of grease trap for the said premises which size and location to be designed by the Landlords. If the Tenant requests for upgrading/alteration/additional works for such system, the Tenant agrees to bear all the upgrading/alteration/additional cost. All upgrading/alteration/additional works shall be carried out by contractor approved by the Landlords and subject to its technical feasibility and the Landlords' prior approval. The Tenant further undertakes to conduct periodic cleaning and maintenance of the grease trap(s) at its own cost and the Tenant shall exercise due care in conducting such cleanining and maintenance so as not to cause any nuisance to other tenant(s) and occupier(s) of the said building. Any connecting ducting from the grease trap(s) to such manhole as designated by the Landlords will also have to be maintained at the Tenant's costs.

3 FIRE SERVICE

The Tenant acknowledges that the fire service system will be installed inside the Premises to comply with the current Fire Regulations. Any alteration / modification of the fire sprinkler system shall be carried out by the Landlords' approved contractor at Tenant's sole cost subject to the Landlords' approval. Upon expiration or sooner determination of the lease term, the Tenant shall reinstate the sprinkler heads to its original location to the satisfaction of the Landlords.

4 SANITARY FITMENTS

The Tenant acknowledges and accepts that toilet facilities have been built in the Premises in their "as-is" condition. The Tenant acknowledges that toilet facilities have been built inside the Premises and shall have the full responsibility to keep the toilet facilities in a good clean condition. If the Tenant needs to alter the number or layout of the toilet facilities, the alteration work shall be subject to the Landlords' and other Government Authorities' approval before commencement of any installation or alteration work. The Tenant undertakes to conduct periodic cleaning and maintenance of the toilet facilities at the Tenant's own cost and the Tenant shall exercise due care in conducting such cleaning and maintenance so as not to cause any nuisance to other tenants or occupiers of the Building.

5 DISPOSAL OF THE WET REFUSE

The Tenant agrees that the disposal of the wet refuse generated from our business at the Premises shall be carried out by the cleaning contractor approved by the Landlords and such cleaning contractor shall be engaged at its sole expenses.

6 SHOP FRONT DESIGN

The Tenant is fully aware that the Landlords would have prescribed shop front designs for the shops in the Building and the Tenant agrees and shall adopt the prescribed shop front designs of the Premises. The Tenant further agree that if there is a reduction in saleable floor area of the Premises due to the adoption of the Landlord's prescribed shop front design, the Tenant shall not be entitled to rescind this Offer or the Tenancy Agreement or to claim for any rent free period, rent reduction or any other compensation or damages whatsoever. In the event the Tenant requests to alter the prescribed shop front to suit its own design, the Tenant shall have to submit the Tenant's own design proposal to the Landlords for the Landlords' prior approval prior to commencement of the work, which shall be carried out by the contractor approved by the Landlords. All costs involved shall be borne by the Tenant solely. In addition, the Tenant also agrees to try its best endeavor to have a Three (3) dimensional shop front design and work in accordance with the criteria set by the Landlords.

The Tenant is fully aware that the Landlords has employed its own designers for the interior design and decoration of the Building and the Tenant agrees to such design, features and decoration absolutely. The Tenant further undertakes that the decoration within the Premises shall be furnished in such a way to be compatible to the overall design of the Building to the satisfaction of the Landlords.

7 NO OBJECTION TO TITLE

The Tenant must assume the right of the Landlords to grant the tenancy and shall not require any evidence of the Landlords' title to the Premises, or raise any objection, requisition or enquiry in respect of it.

SCHEDULE 3

THE ADDITIONAL TURNOVER RENT

- (a) The Additional Turnover Rent for a calendar month shall be the sum equivalent to the difference between 9% of the turnover of the Tenant's business during the relevant calendar month less the Monthly Basic Rent for that calendar month.
- (b) The Tenant shall throughout the Fixed Term keep or cause to be kept complete and accurate and true records together with all supporting data and information of monthly turnover and within fourteen (14) days from the end of each month supply to the Landlords a copy of the Tenant's statement of turnover for that month.
- (c) The Tenant shall pay to the Landlords the Additional Turnover Rent (if any) calculated on monthly basis starting from and inclusive of the Tenant's business commencement date in the manner as mentioned in Clause (d) herein below set out and subject to the surplus/deficit adjustment as per the Certified Statement in respect of the turnover of the Tenant's business for the relevant year as described in Clause (g) below.
- (d) The Additional Turnover Rent in respect of any calendar month shall be paid in arrears by the Tenant in respect of the monthly turnover of the Tenant's business during the relevant calendar month by the 30th day of the immediately following calendar month. If the amount of 9% of the monthly turnover does not exceed the Monthly Basic Rent in any month, no Additional Turnover Rent shall be payable for that month but the deficit shall not be carried over to the next month.
- (e) The Landlords' auditors shall have the right at any time following seven (7) days' written notice to the Tenant to examine the Tenant's sales records in respect of the Tenant' business carried out on, in, at, from or upon the Premises.
- (f) Notwithstanding anything contained in Clause (e) above and for the purpose of calculating the said Additional Turnover Rent, the Tenant shall allow the Landlords' authorized officer, employee or agent to check the daily sales income of the Tenant's business at the Premises from the Tenant's cash register within the Business Hours (not more than twice daily) but without thereby causing any unnecessary interference with or inconvenience to the Tenant or its business at the Premises and the Tenant shall render to the Landlords' representative every assistance in such daily check.
- (g) Within ninety (90) days of the expiration of each calendar year or sooner determination of the Fixed Term, the Tenant shall supply the Landlords with a statement as to the actual amount of the turnover of the Tenant's business for the relevant calendar year which statement shall be certified by the Tenant's auditors or external accountants ("the Certified Statement"). If the actual sum paid as the Additional Turnover Rent for any calendar month shall exceed or be less than the actual Additional Turnover Rent payable for the relevant calendar month calculated based on the Certified Statement, any excess shall be refunded by the Landlords and any shortfall shall be paid by the Tenant (as the case may be) within thirty (30) days of the Landlords' receipt of the Certified Statement.
- (h) If the Tenant fails to deliver any of the records supporting data and information of monthly turnover referred to Clause (b) above or fails to provide the Certified Statement by the Tenant's auditors referred to in Clause (g) above or if the same are insufficient to enable the Landlords' auditors to make an accurate calculation of the turnover for any period in question, then the Landlords may in their discretion by notice in writing to the Tenant make an estimate of turnover for such month or months and the Tenant shall within fourteen (14) days of receipt of the Landlords' written notice of such estimate pay to the Landlords the Additional Turnover Rent based on the Landlords' estimate of the turnover and the Landlords shall be entitled to treat non-payment of such sum or any part

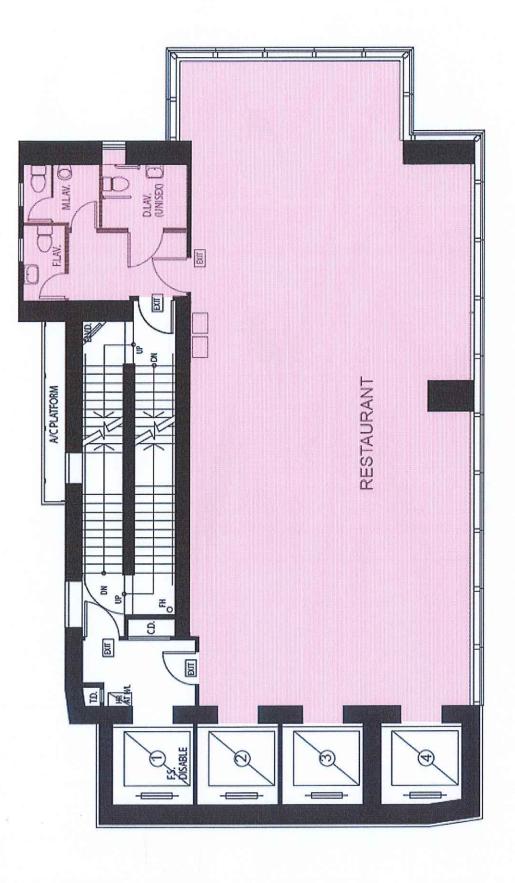
thereof as non-payment of rent. Any over-payment or under-payment by the Tenant on such estimation shall be adjusted when the accurate turnover is ascertained.

- (i) Notwithstanding that anything herein contained to the contrary, the Tenant shall supply to the Landlords within twenty one (21) days after the date of the Tenant ceasing to be a tenant of the Premises a full and accurate statement certified by an independent firm of professional auditors of the Tenant's monthly turnover for the period from the date of the Tenant's commencement of its business up to the date of the Tenant ceasing to be the Tenant of the Premises.
- (j) In the event that there shall be any disputes between the Landlords and the Tenant in respect of the amount of turnover of the Fixed Term, the same shall be determined by an accountant to be agreed between the parties, failing which, the matter shall be referred to the President of The Hong Kong Institute of Certified Public Accountants whose decision shall be final and binding and the costs and expenses incurred thereto shall be borne and paid by the Tenant absolutely.
- (k) For the purpose of calculating the Additional Turnover Rent, "turnover" shall mean the aggregate of all sums of money or other consideration received or receivable in each month for all goods sold, leased, hired or otherwise disposed of and for all services sold or performed and from all business of any nature whatsoever conducted at on in from or upon the Premises by the Tenant and without prejudice to the generality of the above shall include:
 - 1. all amounts received or receivable from orders which originate or are received or accepted at or from the Premises notwithstanding that delivery or performance is made at or from any place other than the Premises and notwithstanding that payment is made to a person other than the Tenant;
 - 2. all amounts received or receivable from orders solicited off the Premises by persons operating from or reporting to the Premises;
 - 3. all amounts received or receivable from sale and services which the Tenant in the normal and customary course of the Tenant's operations would or should be credited or attributed to the business of the Tenant at the Premises; and
 - 4. all amounts of any service charge levied or imposed by the Tenant on the good sold to or otherwise disposed of and paid by a customer.

PROVIDED that:

- every sale on credit terms or on an installment basis shall be deemed to be a sale for the full cash price at the date when the same is made irrespective of the time or times at which the Tenant receives payment;
- (II) every hiring of goods to a customer with an option to purchase shall be deemed to be a sale of the goods for the full cash price at the date when the hiring is made (irrespective of the time or times at which the Tenant receives payment);
- (III) every deposit by a customer shall be included in the turnover at the time of receipt and shall only be deducted from the turnover if and when repaid; and
- (IV) in calculating the amount of the turnover, no deduction shall be made for bad or doubtful debts or (in the case of transactions paid by credit card) discounts or commissions payable by the Tenant to the provider of the credit.
- (1) The following amount shall not be included in the turnover or if included shall be deducted:

- 1. purchase tax and any similar sales or excise tax (if any) imposed directly on the Tenant in respect of the supply of goods or services but only to the extent that such tax is actually paid or accounted for by the Tenant to the taxing authority;
- 2. any service charge or tips paid by the customers of the Tenant at the Premises; and
- 3. any discount promotional or complimentary bills arising from the normal course of the Tenant's business at the Premises.



FLOOR PLAN FOR RNEWAL OFFER TO LEASE FOR ALL THAT AREA ON 5/F OF 18 On Lan Street, CENTRAL, HONG KONG

NOT TO SCALE FOR IDENTIFICATION PURPOSE