Factoring Agreement

Parties: Hao Bai International (Cayman) Limited (the "Seller")
浩柏國際(開曼)有限公司

KNT GT Limited (the "Buyer")

Date: 27/06/2025

The Seller agrees to enter into the transaction with the Buyer for the purchase of accounts receivable and the Buyer agrees to purchase the accounts receivable from the Seller, the specific monetary payment due and payable from (**"Accounts Receivable"**) Shun Cheong Electrical Engineering Company Limited / 順昌電器工程有限公司 (**"Shun Cheong"**) under sale and purchase agreements, service agreements or other credit agreements (**"Credit Agreements"**). The purchase of accounts receivable shall be performed in accordance with the provisions of this Agreement. In witness hereof, the Seller and the Buyer agree to the following provisions:

Article 1 Purchase of Accounts Receivable and Transfer Method

1. When the Seller transfers the Accounts Receivable to the Buyer in accordance with this Agreement, the Seller shall send the Credit Agreements and relevant transaction documents to the Buyer to confirm the Accounts Receivable. The Seller agrees that all the Accounts Receivable are transferred to the Buyer after this factoring agreement is signed.

2. Methods of purchase of accounts receivable: without recourse

3. Percentage of advanced purchase price: 100% of purchase price

Article 2 Purchase Price and Advanced Purchase Price

1. The Seller hereto agrees that the purchase price of individual Accounts Receivable will be the amount of individual accounts receivable (including tax) deducting the sales discount or sales return as recognized by the Seller and Shun Cheong in accordance with the terms and conditions of the transaction concerned, and other relevant expenses.

2. The Seller may apply the advanced purchase price for individual accounts receivable purchased by the Buyer only after delivering the Credit Agreements and relevant transaction documents to the Buyer in accordance with this Agreement and after the foregoing has been agreed by the Buyer.

3. Shun Cheong is hereby authorised by the Seller to handle subsequent matters concerning advanced purchase price of accounts receivable after the Seller agrees to sell the Accounts Receivable to the Buyer in accordance with Paragraph 1 of Article 1, and, this

Agreement shall be the certificate of authorisation without executing any other written documents.

Article 3 Compensation provision

1. The Buyer shall assume the credit risk of non-payment of Shun Cheong for the cause other than commercial dispute. The above said credit risk refers to the risk of loss on Accounts Receivable resulted from the failure of Shun Cheong in the performance of the Credit Agreements due to its financial difficulties (including, but not limited to bankrupt, re-organisation, dissolution and business discontinuation).

2. If Shun Cheong fails to make payment for the cause under the preceding paragraph, to the extent that the Seller has not violated any provision of this Agreement and has provided all relevant written documents of Accounts Receivable, as a principle, the Buyer is liable to compensate the net amount of the transferred Accounts Receivable between the Seller and Shun Cheong ninety days after the due date of the accounts receivable or other date agreed (i.e., the compensation date; if the compensation date is not a business day, it shall be postponed to the next business day). The above said net amount of the transferred accounts receivable shall be the balance after the following debit amounts and the credit amounts are offset against each other. If the accounts receivable are further transferred to the Third Party, and the Third Party fails to perform its obligation on time, the Buyer shall perform the obligation of the Third Party on its behalf within thirty days of the compensation date.

    1. Debit amounts: refer to the amounts of accounts receivable issued by the Seller against Shun Cheong within the limit authorized by the Buyer, excluding any other tax or expense incurred (such as packing expense, transportation expense, and delay interest etc.)

    2. Credit amounts: refer to (1) amount of commercial dispute; (2) amount paid by Shun Cheong; (3) amount of discount note agreed by the Seller; and (4) any amount of claim received by the Seller, the Buyer (or the Third Party) from Shun Cheong.

Article 4 Fees

The total Factoring amount is approximately HK$21,000,000. The charge for factoring services pursuant to the Factoring Agreement amounted to Nil.

The purchase price payable by the Buyer to the Seller for the Account Receivables is an installment payment up to HKD18,000,000. The consideration has been determined in accordance with market practice after arm's length negotiations between the parties, with reference to the aggregate book value of and credit periods attached to the Account Receivables, as well as the creditworthiness of customers from whom Account Receivables are due.

The Buyer shall pay HKD15,000,000 in the first 6 months (applying the Deposit to partially pay this amount) while the remaining HKD3,000,000 will be received in the next 6 months of the Factoring Agreement.

Article 5 Miscellaneous

1. If there are any commercial disputes arising between the Seller and Shun Cheong regarding the accounts receivable purchased by the Buyer, the Seller and Shun Cheong shall resolve the disputes by and between themselves, and the Buyer will not purchase the Accounts Receivable in business disputes before completion.

2. Any written notice by the Buyer to the Seller in accordance with this Agreement shall be delivered to Room 210, 2nd Floor, Yick Tai Industrial Building, 650-652 Castle Peak Road, Lai Chi Kok, Kowloon, Hong Kong. If there is any change to the address, the Seller shall immediately notify the Buyer in writing; otherwise, the Buyer may deliver the notice to the address and the notice shall be deemed duly delivered after a normal mail delivery period.

Article 6 Effective date

Completion of this Agreement shall be conditional on obtaining the relevant shareholder approval or resolution of the Seller, as may be required under applicable law, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited or the Company's constitutional documents. The Parties acknowledge that the enforceability of this Agreement is subject to, and contingent upon, the successful passing of such approval(s) at the duly convened shareholder meeting or through other requisite corporate resolutions ("**Condition**"). In the event that such approval(s) are not obtained by 27 June 2026, this Agreement shall be deemed null and of no further force or effect, and neither Party shall have any liability or obligation hereunder.

Article 7 Deposit

Upon execution of this Agreement, the Buyer shall pay a deposit of approximately HK$3,000,000 ("**Deposit**") to the Seller. The Deposit is set to demonstrate sincere intent and commitment to completing the agreement.

In the event that the requisite shareholder approval or resolution is not obtained at the upcoming shareholder meeting or through other applicable corporate approval processes, the Deposit shall be fully refundable to the Buyer, without interest or deduction, within five (5) days following the determination of such non-approval.

Notwithstanding the foregoing, if the shareholder approval is obtained, the Deposit shall be retained and applied toward the Parties' obligations as agreed herein or as otherwise stipulated in this Agreement.

Article 8 Completion

The sale and purchase of Accounts Receivable under this Agreement shall be completed after the Condition is fulfilled.

Article 9 Governing Law and Jurisdiction

Both parties agree that this Agreement shall be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region.

Article 10 Counterparts

This Agreement shall be executed in two counterparts and each Party retains one.

Both parties represent that they have completely reviewed and confirmed the above provisions of this Agreement within a reasonable period of time and agree to comply with the same.

Hao Bai International (Cayman) Limited 浩柏國際(開曼)有限公司

Hao Bai International (Cayman) Limited
Director: Wong Wing Hung
Date: 27/06/2025

KNT GT Limited

KNT GT Limited
Director: Sin Shun Shing
Date: 27/06/25