

THE SOCIALIST REPUBLIC OF VIET NAM

Independence – Freedom – Happiness

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FACTORY LEASE CONTRACT

No. 1803-SV-HB

– Pursuant to Civil Code 91/2015/QH13 date 14/06/2005 the National Assembly of the Socialist Republic of Vietnam;

– Pursuant to the Trade law of Vietnam.

– Pursuant to the demands and agreement of Parties.

Today, 30th, Mar 2018 at SAVIMEC JOIN STOCK COMPANY, address factory: Lot K-1-3, Dai Dong Industrial zone, Tan Hong ward, Tu Son and Hoan Son, Tien Du district, Bac Ninh province.

We are:

I/. THE LESSOR – (Party A):

-Name of company:

-The business registration certificate No:

-Address:

-Represent: Mr/Msr.

-Position:

-Tell:

-Fax:

– Account name:

– Account number:

– Beneficiary Bank:

– Address:

– Swift code:

II/. THE LESSEE (Party B):

– Name of company:

– The business registration certificate No:.....

– Address:

– Represent:

– Position:

After the careful agreement, the two parties commit to lease this area to setup factory and office of HB TECH COMPANY LIMITED with the terms and conditions as follows:

TERMINOLOGY EXPLAINED

1. Position, the actual lease area:m², LotDai Dong Industrial zone, Tan Hong ward, Tu Son and Hoan Son, Tien Du district, Bac Ninh province.

2. Contract term:years, its effect from the day .../.../..... party A handover factory to party B from .../.../.....

ARTICLE I: OBJECTS OF THE CONTRACT

1.1 Party A agrees to lease to Party B the factory at address at Lot, Dai Dong Industrial zone, Tan Hong ward, Tu Son and Hoan Son, Tien Du district, Bac Ninh province. (The exact location leased premises is shown in the drawings attached in this contract).

The lease property include:

1.1.1. Manufactory:

-The factory has a total area of 2.170 m² factory (*Features, boundaries are limited by the overall diagrammatic representation and status details specific handover minutes*)

1.1.2. Power systems include:

– Electricity meters to allowkVA power transformer inside the factory and electrical systems for factories.

(*Status, quality detailed user-specific handover minutes*)

1.1.3. Other Leased Premises:

– The parking: ...sq. m the rent: ..\$/m²/month

- Water production, drinking water, wastewater system (*Status, quality detailed user-specific delivery records*).
- Power supply systems for production, lighting, security.

In addition to the properties mentioned above side B is entitled to use the common infrastructure of the entire system such as internal roads with the general regulations related to property leasing.

1.2 The purpose of using:

1.2.1. Party A is the current owner and the owner used to legitimate land use rights and assets attached to land (including all workshops, warehouses and enclosed facilities) Lot, Dai Dong Industrial zone, Tan Hong ward, Tu Son and Hoan Son, Tien Du district, Bac Ninh province. Party A and leasing functions are allowed to rent property on the ground. Party B is now 100% owned foreign, there is demand for factories and warehouses, and facilities attached to the side of a business, the production of appropriate professions with the laws of Vietnam.

Therefore, Party A to agree to make a lease to party B and Party B agrees to lease the property of the A m2 factory including workshop and facilities together with details specified in Article 1.1 of this Contract.

ARTICLE II: THE FACTORY RENTAL

2.1 Rents Factory: is an amount of **USD** money exchanged into Viet Nam Dong

- Rent m2 factory.

Currency: USD

Unit Price	Price	Total amount
Unit price/m2/month		
Amount/ 3 month		
Amount/06 months		

- The fee for security, cleaning, maintenance electricity system, electricity for light:VND/month

2.2 The rental fee excluded VAT tax (10%)

2.3 The rental fee is fixed during 02 years, after 2 years contract, the rent fee can change to 10% under average rate of increase or decrease in market prices at that time.

In case of expired leases (4 years), but party A continues for lease, party B continues to demand rent workshop area, storage under this contract, Party B is entitled to priority lease. The rent fee can vary up to under average rate of increase or decrease in market prices at that time but up and down fluctuations do not exceed 10% / total value of this contract. Party B continues to use the utility as the original agreement

ARTICLE III: PAYMENT METHOD

3.1. The rental will be payable in Vietnam Dong/ USD at the selling rate of the Joint stock bank for Foreign Trade of Vietnam (Vietcombank) at the time of payment by bank transfer.

3.2. Payment: ... **months/ times in advance**

– **The 1st payment:**

Party B will pay to Party A amounts under 2 times:

+ Stage 1: The B deposits 3 months equivalent to the amount is **USD** immediately after the contract is signed.

+ Stage 2: Party B shall pay Party A 06 months equivalent to the amount is **39,060 USD** before 01/6/2018

– **The following payment periods:** Party B shall pay Party A 06 months/time, the time before the payment before 10 days from the date of expiry of 06 months' rent once before.

– If Party B delays to make the payment, Party B shall be required to pay the interest for each delayed day according to the interest rate of Vietcombank on the date of payment. If Party B pays later than the deadline stipulated in the contract, Party B shall be considered to breach this contract.

ARTICLE IV: REPAIRS

During the lease period, Party B must preserve, maintain and repair the damaged portion of the rent area and the Party B shall pay the expense the damage by party B, to ensure that the rent area has remained active in the best condition. All repairs and change must be the Party A agreed in writing, Party B is not responsible for those costs and natural wear of the rent area. In case the lease area damaged by the material quality, material, Party A shall immediately repair to ensure corrective and not affect the production and trading of Party B.

ARTICLE V: HANDOVER

5.1 On reception day of area for rent, Party A and Party B will agree to draw up a factory **handover minutes**

Even at the time of signing the contract, Party A undertakes to Party B provide all documents related to property leasing and rental, and records relating to the legal status of the A, including:

1. *Certificate of investment.*
2. *Certificates of land use rights, named party A.*
3. *Certificate of business registration of party A.*
4. *Construction permit*
5. *Diagram technical design together with factory*
6. *Fire Protection.*

Party A agrees to give B the entire above-named documents notarized copy of the 02 state agencies having jurisdiction.

5.2 Handover records is sign for certification by the two parties and attached in this contract and outlined in Appendix of this contract. After the signing the initial inventory, Party B will be officially reception lease area

5.3 When return the rented area, Party B hasn't to remove or properly restore to original state and Party B has the right to sell or transfer the assets legally owned by Party B. All repairs, the changes done before by party B can become assets of party A and Party A isn't indemnified costs for the Party B with the consent of Party B.

5.4 Party B shall notify Party A immediately about any malfunctioning in the rent area, or the changes may affect property of Party B.

ARTICLE VI: THE RIGHT AND OBLIGATIONS OF THE PARTY A

6.1. *Support power meter, meter installation and the transformer inside the factory with allowed power is 350 KVA for party B. Party A will build the parking lot (motorbike) for party B with minimum area of 80m2.* Party A commitment to the entire area, with factories, warehouses, facilities and property on land party B lease owned by party A and lawful use of Party A. Party A commitment to ensure the accuracy, truthfulness and legality of all documents relating to the lease of the premises of A are defined in Article 5 of this contract in accordance with law, and is responsible for ensuring full legal supplements to ensure conformity with the purpose of renting premises for party B in accordance with law.

6.2. Party A commitment to ensure the use of legally separate to Party B, Party A has the obligation to create conditions favorable to party B use ground and use assets effectively rent during the lease specified in this contract.

6.3. Party A are obliged to complete the entire factory and property, together with the facilities before handing over the factory.

At the date of signing, the handover completed property, all property obligations of Party B under this contract takes effect. Party A shall not be responsible for the maintenance and loss of property has been handed over.

6.4. Party A committed to the structure of buildings, warehouses, office buildings normally used. Party A shall warranty to repair the roof and windows and other properties during 05 years. During the lease term if the factory is damaged, degraded fault of Party B, Party B shall be responsible for maintenance and repairs to restore damaged condition using average usually the property.

6.5. Party A committed to the time of transfer, all equipment assets specified in Article 1 of this contract are in normal operating condition.

6.6. Party A is responsible for implementing all financial obligations related to land use rights, such as rental fee and related fees, payment for the lease rights granted land use, buildings as prescribed by law.

6.7. Party A shall produce VAT invoices to Party B when Party B require.

6.8. For fire safety, party A is responsible for completing the additional fire safety outside for party B and responsible to the law and take responsibility before the state agency in charge of it.

6.9. Party A and Party B shall assist the administrative procedures for Industrial Park, Security, Local Government departments and agencies, ensuring creates favorable conditions for party B during operation production and business party B

ARTICLE VII: THE RIGHTS AND OBLIGATIONS OF PARTY B

7.1. Party B has the obligation to use the leased premises for the right purpose. When party B need repair as required rehabilitation own use and will discuss the specific consent of Party A.

-Party B is entitled to finishing construction of the interior (eg: baffles, office, canteen, toilets ...) before and after taking delivery of the workshop.

-Party B is entitled to lease 80m² parking lot, the rental fee is 1,0USD/m²/month.

7.2. Do not bring the party A's lease property to mortgage, pledge, dispersed in any form.

7.3. Party B has the obligation to receive a handover from the entire surface, factory, the current status of property, equipment and furniture is delivered within the time limit specified in Table 7 of this contract thing. Party B must consider carefully check the operation status of the leased property, and to ensure that the leased property is in an active state /normal use. The asset does not guarantee party B has the right to refuse to recognize lease assets.

7.4. Party B may request Party A (the lessor) to repair, maintenance workshops, warehouses and other facilities attached in case the property is damaged, degraded, through no fault of party B.

7.5. Party B is responsible for repair, refund if damage or loss of equipment, property leased by Party A (in workshop).

7.6. Party B has the right to use property, machinery, installation of additional equipment to serve your manufacturing business. All asset are invested, more installations owned by Party B, Party B has the right to move to after the end of the lease.

7.7. Party B has the obligation to pay rental in accordance with the agreement.

7.8. Party B is entitled to use common spaces such as airport internal road, a car. Not arbitrarily go into private sector work of Party A and other workshops without the consent of the A.

7.9. Party B may request Party A strict implementation and management rules, general rules about working in a factory. A party has the right to ban not to rent out the area of the B.

7.10. Party B is responsible for all manufacturing operations of its business in accordance with current laws of the State of Vietnam.

7.11. Party B has the right to direct the signing of service contracts and incurred responsible for payment of rental charges outside the factory as electric, telephone, business tax, cleaning fee, a full environmental ... and timely manner according to the provisions of the Industrial Park and collaborative business units.

7.12. Party B has full rights to use factories, warehouses and facilities leasing party A in the production and business operation of Party B in accordance with the content and purpose of the lease contract.

7.13. Party B may request Party A support in the administrative procedure the Industrial Park, Security, Local Government departments and agencies related to the A, make sure to create favorable conditions for the B during manufacturing operations and business of the B.

7.14. Party B has the obligation to comply with the general provisions of law, regulations of the industry and responsible use and preservation of the property rented a safe, comply with the provisions of this lease agreement.

7.15. Party B install power lines to factory, fire protection in factory, and get Certificate of DTM.

ARTICLE VIII: CONTRACT TERM PENALTY

The parties undertake not to unilaterally terminate the contract before the deadline.

8.1 In case party A unilateral terminate the contract, Party A will return to party B the amount of lease time remaining rental fee that party B paid and subject to fines equal to (06) six months rental fee.

8.2. In the case Party B unilaterally terminate the contract, Party B has to pay penalty of 06 months' rental fee.

ARTICLE IX: TERMINATION OF THE CONTRACT

Party A has the right to unilaterally terminate the contract without incurring penalties if Party B is one of the following acts:

9.1. Do not pay the rental fee for 30 days as stipulated in Article 3

9.2. Damaging serious the property (worth over 1 billion VND) with no compensation in 60 days.

9.3. Party B has the right to unilaterally terminate the contract without incurring fines and request to damage compensation, if Party A is one of the following acts:

a) Do not hand over the leased property and in accordance with the provisions of the contract. b) Do serious damage to the property of the B (with values greater than 1 billion VND) due to the fault of party A.

In addition to the above cases the parties undertake not to unilaterally terminate the contract before maturity.

ARTICLE X: SETTLEMENT OF DISPUTES

Any dispute arising by the parties during contract performance are prioritizing resolved through negotiations to jointly find the optimal measures to ensure the rights and interests of the parties. In the absence of bargaining, the two sides agreed to refer the matter for resolution at the People's Court of Vietnam authorized under the provisions of the law of Vietnam.

ARTICLE XI: GENERAL PROVISIONS

11.1. All amendments and supplements to this Agreement shall only be effective upon the parties making the agreement or contract addendum and signed by the authorized person full of both parties. The amendments will be considered an integral part of the contract and shall take effect from the signing date.

11.2. The two sides pledged to strictly implement the provisions of the contract.

11.3. This contract shall be effective from the date of signing and will expire when the contract period has expired or when the contract is subject to the new changes as required.

11.4. This contract consists of 10 pages, 11 articles, written in Vietnamese and English, in case there is any dispute, the Vietnamese version will be the main copy to solve the dispute, with 02 copies, party A keeps 01 copy, party B keeps 01 copy with the same validity.