

DATED 7 MAY 2021

China VAST Industrial Urban Development Company Limited
(中國宏泰產業市鎮發展有限公司)
as Borrower

and

China Wan Tong Yuan (Holdings) Limited
(中國萬桐園(控股)有限公司)
as Lender

LOAN AGREEMENT

CONTENTS

1.	DEFINITIONS AND INTERPRETATION	2
2.	LOAN.....	8
3.	INTEREST	9
4.	REPAYMENT.....	9
5.	CONDITIONS TO DRAWDOWN	11
6.	REPRESENTATIONS AND WARRANTIES	11
7.	UNDERTAKINGS.....	13
8.	EVENTS OF DEFAULT.....	15
9.	ACCELERATION.....	17
10.	INDEMNITY.....	17
11.	COSTS AND EXPENSES	18
12.	NOTICES	19
13.	PARTIAL INVALIDITY	20
14.	REMEDIES AND WAIVERS	20
15.	AMENDMENTS AND WAIVERS.....	21
16.	ASSIGNMENT.....	21
17.	PRIOR AGREEMENTS	21
18.	COUNTERPARTS	21
19.	GOVERNING LAW AND JURISDICTION	21

THIS LOAN AGREEMENT (THIS “AGREEMENT”) is made on the 7th day of May 2021 by and between:

- (1) **China VAST Industrial Urban Development Company Limited (中國宏泰產業市鎮發展有限公司)**, a company incorporated in the Cayman Islands with limited liability having its registered office at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands and principal place of business in Hong Kong at Units 3707-08, 37/F, West Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong (the “**Borrower**”, together with its Subsidiaries (the “**Borrower Group**”)); and
- (2) **China Wan Tong Yuan (Holdings) Limited (中國萬桐園(控股)有限公司)**, a company incorporated in the Cayman Islands with limited liability having its registered office at 2nd Floor, The Grand Pavilion Commercial Centre, 802 West Bay Road, P.O. Box 10338, Grand Cayman KY1-1003, Cayman Islands and principal place of business in Hong Kong at Unit 3508, 35th Floor, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong (the “**Lender**”).

(each a “**Party**” and together the “**Parties**”).

WHEREAS:

1. As at the date of this Agreement, Tai Shing International Investment Company Limited holds 700,000,000 shares of the Lender. TMF (Cayman) Ltd. (as the trustee of The Hope Trust, a discretionary trust set up by Ms. Zhao Ying, the chairman and a non-executive director of the Lender) indirectly holds the entire issued share capital of Tai Shing International Investment Company Limited.
2. As at the date of this Agreement, Profit East Limited (a wholly-owned company of Ms. Zhao Ying) holds 1,216,812,664 shares of the Borrower. Tai Shing International Investment Company Limited also holds 4,753,000 shares of the Borrower.
3. The Lender has agreed to provide a loan to the Borrower on and subject to the terms and conditions of this Agreement, the purpose of which is for its general working capital.

IT IS AGREED:

1. DEFINITIONS AND INTERPRETATION

- 1.1 In this Agreement the following terms have the following meanings:

“**Affiliate**” means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew and niece of a Person described in clause (1) or (2). For the purposes of this

definition, “**control**” (including, with correlative meanings, the terms “**controlling**,” “**controlled by**” and “**under common control with**”), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise (including to control the composition of its board of directors or equivalent body).

“**Bankruptcy Action**” shall mean with respect to any Person (i) such Person filing a voluntary petition under any Bankruptcy Laws; (ii) the filing of an involuntary petition against such Person under any Bankruptcy Laws and each petition remains unstayed and in effect for a period of thirty (30) days, or soliciting or causing to be solicited petitioning creditors for any involuntary petition against such Person; (iii) such Person filing an answer consenting to or otherwise acquiescing in or joining in any involuntary petition filed against it, by any other Person under any Bankruptcy Laws, or soliciting or causing to be solicited petitioning creditors for any involuntary petition from any Person; (iv) such Person consenting to or acquiescing in or joining in an application for the appointment of a custodian, receiver, trustee, or examiner for such Person or any portion of the Guarantee; or (v) such Person making an assignment for the benefit of creditors, or admitting, in writing or in any legal proceeding, its insolvency or inability to pay its debts as they become due.

“**Bankruptcy Laws**” means any Governmental Rules of any jurisdiction relating to bankruptcy, insolvency, corporate reorganization, company arrangement, special liquidation, moratorium, readjustment of debt, appointment of a conservator, trustee, supervisor, inspector or receiver, or similar debtor relief.

“**Business Day**” means any day other than a Saturday, a Sunday or a legal holiday on which banks are not open for general business in Hong Kong or the PRC (as applicable).

“**Charge**” means any mortgage, charge, pledge, lien, hypothecation, and/or assignment by way of security, encumbrance or other security interest securing any obligation of any Person or any other agreement or arrangement having a similar effect.

“**Default Interest Rate**” means an interest rate equal to the Interest Rate plus 3% per annum.

“**Designated Nominee**” means any Person designated by a Party, provided that such Party has given the other Party not less than three (3) Business Days’ prior written notice (or waiver or shortened notice as agreed between the Parties), which shall contain all information as may be reasonably requested by the Lender.

“**Drawdown Date**” means a date set down in a duly completed Drawdown Notice and not later than 60 days from the date of this Agreement (or such later date as may be agreed by the Parties).

“**Drawdown Notice**” means a notice substantially in the form set out in Schedule I.

“**Event of Default**” means any event or circumstance specified as such in Clause 8.

“Finance Documents” means, collectively, (i) this Agreement; (ii) the Guarantee; and (iii) any other document, instrument, certificate, or agreement in connection with the Loan now or hereafter executed by the Borrower or any other Person which from time to time may wholly or partially evidence, secure or guarantee payment and/or performance of any of the Secured Obligations and designated as such by the Borrower and the Lender.

“Governmental Authority” means any court, board, agency, commission, office or other authority of any nature whatsoever for any domestic or foreign governmental unit (federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

“Governmental Rules” means all applicable statutes, laws, rules, codes, ordinances, decisions, regulations, permits, certificates and orders of any Governmental Authority now or hereafter in effect and, in each case, as amended, supplemented or otherwise modified from time-to-time subsequent hereto and any interpretation thereof by any competent Governmental Authority, including, without limitation, any judicial or administrative order, consent decree, settlement agreement with any Governmental Authority or judgment.

“Guarantee” means the deed of guarantee to be entered into by the Guarantor in favour of the Lender and delivered to the Lender.

“Guarantor” means Profit East Limited (利東有限公司).

“Hong Kong” means the Hong Kong Special Administrative Region of the People’s Republic of China.

“HK\$” means Hong Kong dollars, the lawful currency of Hong Kong.

“Interest Rate” has the meaning given to it in Clause 3.1.

“Listing Rules” means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

“Loan” means the loan made available under this Agreement as described in Clause 2.1.

“Material Adverse Effect” means a material adverse effect on:

- (a) the business and assets of the Borrower Group taken as a whole;
- (b) the ability of the Borrower to perform its obligations under the Finance Documents; or
- (c) the validity or enforceability of, or the effectiveness or ranking of any Charge granted or purporting to be granted pursuant to any of, the Finance Documents or the rights or remedies of the Lender under any of the Finance Documents.

“Material Subsidiary” means any Subsidiary of the Borrower that has, at any time, gross revenue, gross profits or gross assets (on a consolidated basis if such Subsidiary itself has Subsidiaries) representing 10 per cent. or more of the gross revenue, gross profits or gross assets, respectively, of the Borrower Group calculated on a consolidated basis.

“Obligor(s)” means the Borrower, the Guarantor and any other person(s) providing guarantee of and/or security for all or any part of the obligations of the Borrower under this Agreement from time to time.

“Permitted Encumbrances” means any of the following:

- (a) security interests created or contemplated by this Agreement and the Finance Documents;
- (b) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Borrower and its subsidiaries, taken as a whole;
- (c) Charges encumbering property or assets under construction arising from progress or partial payments by a customer of the Borrower or its subsidiaries relating to such property or assets;
- (d) any interest or title of a lessor in the property subject to any operating lease;
- (e) Charges arising from the attachment or rendering of a final judgment or order against the Borrower or any of its subsidiaries that does not give rise to an Event of Default;
- (f) Charges securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;
- (g) Charges created by the Permitted Holders in favour of the Borrower;
- (h) Charges existing on the date of this Agreement;
- (i) security interests created or contemplated in ordinary course of business of the Borrower or any of its subsidiaries at any time;
- (j) any Charges arising by operation of law; and
- (k) any other encumbrances as the Lender has approved or may approve in the Lender’s sole discretion.

“Permitted Holders” means any or all of the following:

- (a) Profit East Limited and Ms. Zhao Ying;
- (b) any Affiliate of any Persons specified in (a) above;

- (c) any Person whose shares (or in the case of a trust, the beneficial interests in which) are owned 80.0% or more, directly or indirectly, by one or more of the Persons specified in (a) and (b) above.

“Permitted Indebtedness” means any of the following, present or future, provided that (1) in the event an item of indebtedness meets the criteria of more than one of the types described below, the Borrower or the Guarantor (as the case may be), in its sole discretion, shall classify, and from time to time may reclassify, such item of indebtedness or a portion thereof in one or more types of indebtedness, and (2) the maximum amount of indebtedness that may be incurred will not be deemed to be exceeded with respect to any outstanding indebtedness due solely to the result of fluctuations in the exchange rates of currencies, so long as such Indebtedness was permitted to be incurred at the time of such incurrence:

- (a) outstanding indebtedness incurred in the ordinary business at any time, including but not limited to notes, bonds, convertible notes or bonds, and payables incurred in the ordinary course of business;
- (b) any indebtedness evidenced in and reflected on the unconsolidated financial statements (which may be internal financial statements) of the Borrower or any of its subsidiaries, including but not limited to intra-group loans;
- (c) indebtedness issued or incurred (the **“Permitted Refinancing Indebtedness”**) in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, defease, discharge or extend (collectively, **“refinance”** and **“refinances”** and **“refinanced”** shall have a correlative meaning), then outstanding indebtedness on the date of this Agreement (or indebtedness that is no longer outstanding on the date of this Agreement but that is refinanced substantially concurrently with the incurrence of such Permitted Refinancing Indebtedness), and any refinancings of (a) and (b) above in an amount not exceeding the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses);
- (d) indebtedness incurred by the Guarantor constituting reimbursement obligations with respect to workers’ compensation claims or self-insurance obligations or bid, performance or surety bonds (in each case other than for an obligation for borrowed money);
- (e) indebtedness incurred by the Borrower or any of its subsidiaries constituting reimbursement obligations with respect to workers’ compensation claims or self-insurance obligations or bid, performance or surety bonds (in each case other than for an obligation for borrowed money);
- (f) indebtedness incurred by the Guarantor constituting reimbursement obligations with respect to letters of credit, trade guarantees or similar instruments issued in the ordinary course of business to the extent that such letters of credit, trade guarantees or similar instruments are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 30 days following receipt by the Guarantor of a demand for reimbursement;

- (g) indebtedness incurred by the Borrower or any its subsidiaries constituting reimbursement obligations with respect to letters of credit, trade guarantees or similar instruments issued in the ordinary course of business to the extent that such letters of credit, trade guarantees or similar instruments are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than 30 days following receipt by the Borrower or any its subsidiaries of a demand for reimbursement;
- (h) indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Guarantor pursuant to such agreements;
- (i) indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Borrower and any of its subsidiaries pursuant to such agreements;
- (j) indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business provided, however, that such indebtedness is extinguished within five Business Days of such incurrence;
- (k) any other indebtedness of the Guarantor in an aggregate principal amount outstanding at any time (together with the refinancings thereof) not to exceed US\$30.0 million (or the equivalent amount in other currencies);
- (l) any other indebtedness of the Borrower or any its subsidiaries in an aggregate principal amount outstanding at any time (together with the refinancings thereof) not to exceed US\$30.0 million (or the equivalent amount in other currencies);
- (m) indebtedness issued or incurred by the Guarantor which is owed to any of the Permitted Holders; and
- (n) indebtedness issued or incurred by the Borrower or any its subsidiaries which is owed to any of the Permitted Holders.

“Person” shall mean any individual, corporation, partnership, joint venture, limited liability company, estate, trust, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

“PRC” means the People’s Republic of China, and for the purposes of this Agreement, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan.

“Repayment Date” means the date falling twelve (12) months after the Drawdown Date or such other date as agreed in writing between the Lender and the Borrower.

“**RMB**” means Renminbi, the lawful currency of the PRC.

“**Secured Obligations**” means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of any Obligor under, pursuant or relating to the Loan and/or any Finance Document, including, without limitation, the payment of principal and interest on the Loan and all other fees, costs, charges and expense provided for in the Finance Documents.

“**SFC**” means the Securities and Futures Commission.

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited.

“**Subsidiary**” means an entity from time to time of which a person has direct or indirect control or owns directly or indirectly more than 50 per cent. of the voting capital or similar right of ownership. For the purpose of this definition, “**control**” means the power to direct the management and the policies of the entity whether through the ownership of voting capital, by contract or otherwise (including to control the composition of its board of directors or equivalent body).

“**Takeovers Code**” means the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC, as amended, supplemented or otherwise modified from time to time.

1.2 Unless a contrary indication appears, in this Agreement:

- (a) any reference to the singular includes the plural and *vice versa*;
- (b) any reference to clauses is to be construed as reference to clauses of this Agreement;
- (c) where this Agreement specifies an amount in a given currency (the "**specified currency**") "**or its equivalent**", the "**equivalent**" is a reference to the amount of any other currency which, when converted into the specified currency utilising the Lender's spot rate of exchange (or, if the Lender does not have an available spot rate of exchange, any publicly available spot rate of exchange selected by the Lender (acting reasonably)) for the purchase of the specified currency with that other currency on the relevant date, is equal to the relevant amount in the specified currency; and
- (d) clause headings are for convenience only and shall not affect the interpretation of this Agreement.

2. **LOAN**

2.1 Loan. The Lender hereby agrees, on the terms and conditions set forth in this Agreement, to lend to the Borrower a loan in the principal amount of RMB100,000,000 (or its equivalent in HK\$) (the “**Loan**”).

2.2 Drawdown. On the Drawdown Date, the Lender (through itself or its designated nominee(s)) shall make available, and the Borrower (or its Designated Nominee(s))

shall draw, the entire amount of the Loan, which shall be wholly denominated in RMB or HK\$, or partly denominated in HK\$ and partly denominated in RMB. If any part of the Loan is to be made in the PRC in RMB, that part of the Loan may be implemented by way of an entrustment loan in accordance with PRC laws and the drawdown shall refer to the drawdown payment to a mutually agreed financial institution. The currency specified in the Drawdown Notice shall be RMB or HK\$.

2.3 Purpose.

- (a) All amounts borrowed by the Lender under the Loan shall be used for its general working capital and shall not be used for any other purposes.
- (b) The Lender is not bound to monitor or verify the utilisation of the Loan.

2.4 Not a Revolving Facility. The Loan is not a revolving loan facility. Any amount borrowed and repaid in respect of the Loan may not be reborrowed.

3. INTEREST

3.1 Interest Rate. The rate of interest on the Loan shall be twelve percent (12%) per annum (the “**Interest Rate**”).

3.2 Calculation of Interest. Interest on the Loan shall accrue at the Interest Rate from and including the Drawdown Date to and including the Repayment Date and shall be calculated on the basis of the actual number of days elapsed and a year of 365 days.

3.3 Payment. The Borrower shall pay interest in arrears on the Repayment Date.

3.4 Default Interest. In the event that, and for so long as, any Event of Default shall have occurred and be continuing, the outstanding principal balance of the Loan and, to the extent permitted by law, overdue interest in respect of the Loan, shall accrue interest at the Default Interest Rate, calculated from the date such payment was due without regard to any grace or cure periods contained herein up to the date of actual payment. Any interest accruing under this Clause 3.4 shall be immediately payable by the Borrower on demand by the Lender.

4. REPAYMENT

4.1 Prepayment. The Borrower is entitled to make early repayment of the Loan in full or in part to the Lender before the Repayment Date by giving to the Lender not less than one month’s prior written notice, specifying the amount to be repaid and the date on which the early repayment is to be made, and the Borrower shall, on the date of early repayment, pay to the Lender all accrued interest on the amount to be early repaid. Any notice of prepayment given by the Borrower under any provision of this Agreement shall be irrevocable and the Borrower shall be bound to make a prepayment in accordance therewith. The Borrower may not prepay the Loan or any part thereof except in accordance with the express terms of this Agreement.

4.2 Repayment of Loan. The Borrower shall repay or pay the principal of the Loan and all accrued interest on the Loan in full on the Repayment Date. Notwithstanding the

foregoing and without prejudice to the Parties' right to mutually agree in writing on any other date as the Repayment Date, at any time before the Repayment Date, the Lender may at its absolute discretion deliver to the Borrower a request in writing (the "**Early Repayment Request**") at least one calendar month in advance of the intended date of early repayment of the principal of the Loan and all accrued interest on the Loan in full or in part, upon receipt of which the Borrower shall have ten (10) business days (or any other period as agreed between the Parties) to consent to the Early Repayment Request and make such early repayment on the date set out in the Early Repayment Request.

- 4.3 Method and Place of Payment. All payments under this Agreement and the other Finance Documents shall be made to the Lender (or its designated nominee(s)) not later than 11:00 a.m. Hong Kong time, on the date when due in immediately available funds and deposited into the account(s) designated by the Lender in a written notice to the Borrower. If any payment to be made under any Finance Document shall be stated to be due on a day which is not a Business Day, then the date for payment thereof shall be extended to the next following Business Day and interest shall accrue at the applicable rate during such extension; provided, however, that if such extension would cause such payment to occur in the next following calendar month, such payment shall be due on the next preceding Business Day.
- 4.4 Currency of account. Unless otherwise agreed in writing by the Parties:
- (a) Subject to sub-paragraph (b) below, HK\$ or RMB (as applicable) is the currency of account and payment for any sum due from the Borrower under any Finance Document.
 - (b) A repayment of the Loan or a part of the Loan shall be made in the currency in which the Loan (or such part of the Loan) is denominated.
 - (c) Each payment of interest shall be made in the currency in which the Loan (or such part of the Loan) in respect of which such interest is payable is denominated.
 - (d) Each payment in respect of costs, expenses or taxes shall be made in the currency in which the costs, expenses or taxes are incurred.
- 4.5 Withholding Taxes. All payments to be made by the Borrower under this Agreement shall be made in full in immediately available funds without any set-off or counterclaim whatsoever, free and clear of any taxes, deductions or withholdings. If at any time the Borrower or any other person is required to make any deduction or withholding in respect of taxes or otherwise from any payment due under this Agreement for the account of the Lender, the sum due from the Borrower in respect of such payment shall be increased to the extent necessary to ensure that, after the making of such deduction or withholding, the Lender receives on the due date for such payment (and retains, free from and clear of any taxes or otherwise) a net sum equal to the sum which it would have received had no such deduction or withholding been required to be made and the Borrower shall indemnify the Lender against any losses or costs incurred by it by reason of any failure of the Borrower to make any such deduction or withholding or by reason of any increased payment not being made on the due date for such payment. The Borrower shall promptly deliver to the Lender any receipts, certificates or other proof

evidencing the amounts (if any) paid or payable in respect of any deduction or withholding as aforesaid.

5. CONDITIONS TO DRAWDOWN

The obligation of the Lender to make the Loan hereunder is subject to the fulfillment by the Borrower of the following conditions precedent no later than the Drawdown Date:

- (a) Representations and Warranties. The representations and warranties of the Borrower contained in this Agreement shall be true and correct in all material respects on and as of the Drawdown Date with the same effect as if made on and as of such date, and no Event of Default shall have occurred and be continuing; and the Borrower shall be in compliance in all material respects with all terms and conditions set forth in this Agreement.
- (b) Approvals. The approval by the independent shareholders of the Lender of the Loan, this Agreement, the transactions contemplated here and thereunder at a general meeting of the Lender to be convened in accordance with, and all other consents and acts required under, the Listing Rules being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange.
- (c) Compliance. The compliance with any other requirements under the Listing Rules or otherwise of the Stock Exchange or other regulatory authorities or any applicable laws and regulations which requires compliance at any time on or prior to the Drawdown Date in relation to the Loan (whether applicable to the Lender or the Borrower).
- (d) General Approvals and Consents. (If required) all requisite waivers, consents and approvals from any relevant Governmental Authority or regulatory authorities or other relevant third parties in connection with the Loan, this Agreement and the transactions contemplated thereunder having been obtained.
- (e) Guarantee. The Guarantee being executed and delivered by the parties thereto, the obligations of the Guarantor thereunder having become and remaining unconditional in accordance with its terms, and the Guarantee not having been terminated in accordance with its terms or otherwise.
- (f) Others. Such other documents relating to any of the matters contemplated herein as the Lender may reasonably request.

To the extent permitted by applicable laws and regulations, all the conditions precedent set forth in this Clause 5 may be waived (including an extension of time for fulfillment of such conditions precedent) by the Lender in its sole and absolute discretion.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 Representations and Warranties. The Borrower hereby represents, warrants and covenants to the Lender as follows:

- (a) the Borrower is a company duly incorporated with limited liability and validly existing under the laws of its place of incorporation, and has full power, authority and legal right to own its property and assets, and to carry on its business;
- (b) the Borrower has full capacity, power, authority and legal right to enter into, execute and engage in the transactions contemplated by this Agreement and/or the Finance Documents to which it is a party and has taken or obtained all necessary corporate and other action and consents to authorise the execution and performance of this Agreement;
- (c) each of this Agreement and the other Finance Documents to which it is a party constitutes legal, valid and binding obligations of the Borrower in accordance with its terms;
- (d) neither the execution of this Agreement, the Finance Documents to which it is party nor the performance by the Borrower of any of its obligations or the exercise of any of its rights under this Agreement or the other Finance Documents to which it is a party will:
 - (i) conflict with or result in a breach of any law, regulation, judgment, order, authorisation, agreement or obligation applicable to the Borrower or any of its Material Subsidiaries;
 - (ii) cause any limitation placed on the Borrower or any of its Material Subsidiaries to be exceeded; or
 - (iii) conflict with or result in a breach of any document which is binding upon the Borrower or any of its Material Subsidiaries;
- (e) all authorisations required from any Governmental Authority and/or any parties to the Finance Documents to which it is a party for or in connection with this Agreement and the Finance Documents to which it is a party have been obtained;
- (f) no litigation, arbitration or administrative proceedings or other proceedings or before any court, arbitral body or agency or appropriate forum has been started or threatened against the Borrower or any of its Material Subsidiaries which, if adversely determined, would have a Material Adverse Effect;
- (g) no Encumbrance exists over all or any substantial part of the property, assets or revenues of the Borrower or any of its Material Subsidiaries except as created by the Finance Documents, liens arising by operation of law in the ordinary course of business and the Permitted Encumbrances of the Borrower or any of its Material Subsidiaries;
- (h) the Borrower or any of its Material Subsidiaries has no indebtedness to any party except as previously disclosed in writing to and agreed by the Lender, the Loan and the Permitted Indebtedness of the Borrower or any of its Material Subsidiaries;

- (i) no fact exists that would adversely affect the Borrower's ability to perform its obligations pursuant to this Agreement;
- (j) all information, materials provided to the Lender by the Borrower or its nominees or representatives and all matters contained in or confirmed by the Borrower in connection with the Loan, this Agreement and the Finance Documents (including but not limited to the financial status and indebtedness status of the Borrower or any of its subsidiaries and representations and warranties in connection thereto) are true, complete and accurate in all material respects and does not contain any misstatement of fact or omit any material fact and in the case of documentation, the copies of documents supplied are true, complete and accurate; and
- (k) no Event of Default has occurred or is continuing.

6.2 Continuing Representations and Warranties. The representations and warranties made under Clause 6.1 are made on the date hereof and shall be deemed repeated by the Borrower on each day that any sum remains to be lent by the Lender and remains owing or outstanding, with reference to the facts and circumstances then existing as of the date such representations and warranties are deemed repeated.

6.3 Acknowledgement of Reliance. The Borrower acknowledges that the Lender has entered into this Agreement in reliance upon the Borrower's representations and warranties contained in this Agreement.

7. UNDERTAKINGS

7.1 From the date hereof and until payment and performance in full of all obligations of the Borrower under the Finance Documents, the following undertakings in this Clause 7.1 shall remain in force:

- (a) Negative Pledge. The Borrower shall procure each of its subsidiaries not to create, incur, assume, or cause, suffer or permit to exist or to be created, incurred or assumed, any Charge over any of its assets except for the Permitted Encumbrances.
- (b) Pari Passu Ranking. The Borrower shall ensure that its obligations under this Agreement at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Borrower save for those which rank in priority by operation of law.
- (c) Litigation. The Borrower shall give prompt notice to the Lender as soon as reasonably practicable after it becomes aware of any litigation or governmental proceedings pending or threatened against the Borrower, any of its Material Subsidiaries or the Guarantor, which would have a Material Adverse Effect;
- (d) Notices. The Borrower shall promptly advise the Lender as soon as reasonably practicable after it becomes aware of (i) any event or circumstances which would have a Material Adverse Effect; and (ii) the occurrence of any Event of

Default of which the Borrower (on a consolidated basis with its Material Subsidiaries) has knowledge.

- (e) Perform Finance Documents. The Borrower shall observe, perform and satisfy, all the terms, provisions, covenants and conditions of, and shall pay when due all costs, fees and expenses to the extent required under the Finance Documents to which it is a party.
- (f) Further Assurances. The Borrower shall at its sole cost and expense: (i) execute and deliver to the Lender all documents, instruments, certificates, assignments and other documents; and (ii) do and execute all and such further lawful and reasonable acts, conveyances and assurances for carrying out of the intents and purposes of this Agreement and the other Finance Documents as the Lender shall reasonably require from time to time.
- (g) Listing. The Borrower shall maintain its listing status on the Main Board of the Stock Exchange.
- (h) Internal Control. The Obligors shall use commercially reasonable endeavours to provide all such assistance to the Lender for the sole purpose of fulfilling the Lender's internal control measures, including but not limited to providing Relevant Documents and Information (as defined below) to the Lender as soon as reasonably practicable upon the Lender's reasonable request, provided that such assistance will not violate any applicable laws and regulations (including but not limited to the Listing Rules).

For the purpose of this Clause 7.1(h), "Relevant Documents and Information" means relevant documents and information of the Borrower and its subsidiaries, including but not limited to information relating to financial condition (e.g. interim or final results or communications with shareholders or creditors), business or operations.

7.2 From the date hereof and until payment and performance in full of all obligations of the Borrower under the Finance Documents, the Borrower hereby covenants and agrees, with the Lender that it will not (to the maximum extent permitted by and consistent with any applicable laws, rules and regulations), and the Borrower will procure its subsidiaries not to, unless the Lender otherwise agrees in writing or expressly contemplated under the Finance Documents:

- (a) amalgamate, merge, demerge or consolidate with any other entity or take any step with a view to dissolution, liquidation or winding-up which would have a Material Adverse Effect;
- (b) undergo capital reorganisation, purchase or redeem any of its issued share(s) or reduce its share capital or make a repayment in respect of any loans or other indebtedness owing to any of its shareholders (except for the Permitted Indebtedness) which would have a Material Adverse Effect;
- (c) make or allow to subsist any loans to or for the benefit of any person or otherwise voluntarily assume any liability, whether actual or contingent, in

respect of any obligation of any person, except: (i) in its ordinary course of business or trading; or (ii) with the prior written consent of the Lender; or (iii) the Permitted Indebtedness, or (iv) otherwise within the amount of US\$30.0 million (or the equivalent amount in other currencies);

- (d) create, permit to arise or exist any Encumbrance over all or any substantial part of its property, assets or revenues except (i) any Encumbrance created under the Finance Documents, (ii) any of the Permitted Encumbrances, (iii) any Encumbrance arising in the ordinary course of its business or (iv) otherwise within the amount of US\$30.0 million (or the equivalent amount in other currencies);
- (e) enter into any agreement or obligation which would have a Material Adverse Effect; and
- (f) pass any resolution to dissolve or wind up its corporate existence which would have a Material Adverse Effect.

7.3 Information Undertakings

The undertakings in this Clause 7.3 remain in force from the date hereof and until payment and performance in full of all obligations of the Obligors under the Finance Documents.

- (a) The Borrower shall supply to the Lender:
 - (i) as soon as reasonably practicable upon becoming aware of them, the details of any current or commenced litigation, arbitration or administrative proceedings against the Borrower, any of its subsidiaries or the Guarantor, and which would, if adversely determined, have a Material Adverse Effect; and
 - (ii) as soon as reasonably practicable upon becoming aware of them, the details of any judgment or order of a court, arbitral body or agency which is made against the Borrower, any of its subsidiaries or the Guarantor, and which would have a Material Adverse Effect.

8. EVENTS OF DEFAULT

Each of the events or circumstances set out in this Clause 8 is an Event of Default.

- (a) Non-payment. The Borrower does not pay within five (5) Business Days (or an extended period as otherwise agreed in writing between the Parties) after the due date any amount payable by it pursuant to a Finance Document at the place at and in the currency in which it is expressed to be payable.
- (b) Breach of covenants. The Borrower or any Obligors fails to perform or observe any of the agreements and covenants contained in this Agreement or the other Finance Documents, and the continuance of such failure for thirty (30)

days (or an extended period as otherwise agreed in writing between the Parties) after written notice thereof from Lender to Borrower.

- (c) Misrepresentation. Any representation or statement made or deemed to be made by the Borrower in the Finance Documents or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading when made or deemed to be made, which breach or untruth if curable and not intentional, remains uncured for thirty (30) days (or an extended period as otherwise agreed in writing between the Parties) after written notice thereof from Lender to Borrower, as applicable.
- (d) Cross Default. The Borrower, any of its Material Subsidiaries or any of the Obligors defaults or receives notice of default under any agreement or obligation relating to borrowing or any indebtedness of the Borrower, any of its Material Subsidiaries or any of the Obligors becomes payable or capable of being declared payable before its stated maturity or is not paid when due (and taking into account any applicable cure period in the relevant agreement) or any Encumbrance, guarantee or other security now or hereafter created by the Borrower, any of its Material Subsidiaries or any of the Obligors becomes enforceable, provided that the aggregate amount of such borrowing, indebtedness, Encumbrance, guarantee and security of the Borrower Group or of an Obligor exceeds US\$15.0 million (or the equivalent amount in other currencies).
- (e) Winding-up Petition. A petition is presented or a proceeding is commenced or an order is made or an effective resolution is passed or a notice is issued convening a meeting for the purpose of passing any resolution or any other step is taken by any person for the winding-up, insolvency, administration, reorganisation, reconstruction, dissolution or bankruptcy of the Borrower, any of its Material Subsidiaries or any of the Obligors in any competent jurisdiction or for the appointment of a liquidator, receiver, administrator, trustee or similar officer of the Borrower, any of its Material Subsidiaries or any of the Obligors or of all or a part of its business or assets, which would have a Material Adverse Effect.
- (f) Insolvency. A receiver, liquidator or trustee is appointed for the Borrower, any of its Material Subsidiaries or any of the Obligors, or the Borrower, any of its Material Subsidiaries or any of the Obligors is adjudicated as bankrupt or insolvent, or any petition for bankruptcy, insolvency or similar proceeding pursuant to any applicable Bankruptcy Laws is filed by or against, consented to, or acquiesced in by, the Borrower, any of its Material Subsidiaries or any of the Obligors, or any other Bankruptcy Action occurs with respect to the Borrower, any of its Material Subsidiaries or any of the Obligors; or the Borrower, any of its Material Subsidiaries or any of the Obligors is unable or admits its inability to pay its debts as they fall due or seeks to enter into any composition or other arrangement with its creditors is declared or becomes bankrupt or insolvent, which would have a Material Adverse Effect.

- (g) Incapacity. The Borrower or any of the Obligors loses the capacity for civil acts.
- (h) Suspension of Trading. The trading of the shares of the Borrower is suspended or halted from trading over fifteen (15) or more consecutive Stock Exchange trading days (except for trading halt or trading suspension in connection with clearance for any announcement(s), circular(s) or notice(s) pursuant to applicable laws, rules and regulations, including, without limitation, the Listing Rules and the Takeovers Code, or otherwise required by the Stock Exchange or SFC in that connection or such longer period as the Lender may agree) (for the avoidance of doubt, any suspension of trading of shares of the Borrower over any part of a trading day would be considered as suspension over that day for the purpose of this paragraph), or de-listed (including being ordered or threatened to be de-listed) from trading on the Stock Exchange.
- (i) Unlawfulness. It is or becomes unlawful for the Borrower to perform any of its obligations under the Finance Documents to which it is a party.
- (j) Repudiation.
 - A. The Borrower repudiates a Finance Document to which it is a party or evidences an intention to rescind or repudiate a Finance Document to which it is a party.
 - B. Any Finance Document ceases for any reason (or is claimed by the Borrower not) to be in full force and effect and the legal and valid obligation of the Borrower, binding upon it in accordance with its terms, which would have a Material Adverse Effect.

9. ACCELERATION

- 9.1 On and at any time after the occurrence of an Event of Default the Lender may by notice in writing to the Borrower:
- (a) declare that all or part of the Loan, together with accrued interest, and all other amounts accrued or outstanding under the Finance Documents be immediately due and payable, at which time they shall become immediately due and payable;
 - (b) declare that all or part of the Loan be payable on demand, at which time they shall immediately become payable on demand by the Lender; and/or
 - (c) exercise any or all of its rights, remedies, powers or discretions under the Finance Documents and at law.

10. INDEMNITY

- 10.1 The Borrower shall indemnify the Lender against any costs, losses or liabilities incurred by it as a result of: (a) any failure by the Borrower to pay any amount due under this Agreement on its due date after taking into account any grace or cure periods contained herein up to the date of actual payment, (b) any other non-compliance by the Borrower

with any provision of this Agreement due to or in connection with any event other than a default by the Lender in the performance of its obligations under this Agreement, or (c) any warranty, representation or statement of the Borrower being materially incorrect or misleading when made or deemed to be made.

10.2 If:

- (a) for any reason any amount payable by the Borrower under this Agreement is paid or recovered by the Lender in a currency (the “**payment currency**”) other than that in which the Secured Obligations are denominated (the “**contractual currency**”); and
- (b) the payment made to the Lender in the payment currency when converted at the applicable rate of exchange into the contractual currency is less than the amount payable in the contractual currency under this Agreement,

then the Borrower shall, as a separate and independent obligation, fully indemnify the Lender within five (5) Business Days of demand against the amount of the shortfall. For the purposes of this clause, the expression “**applicable rate of exchange**” means the rate at which the Lender purchases the contractual currency in Hong Kong with the payment currency, taking into account any costs associated with the exchange.

10.3 **Currency indemnity**

- (a) If any sum due from the Borrower under the Finance Documents to which it is a party (a “**Sum**”), or any order, judgment or award given or made against the Borrower in relation to a Sum, has to be converted from the currency (the “**First Currency**”) in which that Sum is payable into another currency (the “**Second Currency**”) for the purpose of:
 - (i) making or filing a claim or proof against the Borrower; or
 - (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,

the Borrower shall as an independent obligation, within 10 Business Days of demand in writing from the Lender, indemnify the Lender to whom that Sum is due against any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between (A) the rate of exchange used to convert that Sum from the First Currency into the Second Currency and (B) the rate or rates of exchange available to that person at the time of its receipt of that Sum.

11. CONFIDENTIALITY

- 11.1 Each of the Parties acknowledges and agrees that it will not disclose or divulge the terms and conditions of this Agreement, the existence of this Agreement, the fact that the Parties have entered into this Agreement and any personal information provided by the other Party (collectively, “**Confidential Information**”) to any party apart from the other Party’s shareholders and the shareholders, directors, employees and professional

advisers of the receiving Party who need to know the Confidential Information for the purpose of this Agreement, the Finance Documents and the transactions contemplated thereunder, and/or unless the information becomes known to the public through no fault of such Party or the Party providing the information gives its written consent to the release of such information, and further agrees and consents to each of the Lender and the Borrower making any public announcement in relation to this Agreement, the Finance Documents and the transactions contemplated thereunder and make available any of the Finance Documents for inspection by the public in compliance with the Listing Rules or otherwise as required by the Stock Exchange or other relevant regulatory authorities or otherwise by way of voluntary announcement.

12. COSTS AND EXPENSES

- 12.1 General. Subject to Clause 12.2, the Borrower shall bear all costs and expenses arising out of and incidental to the preparation, negotiation, execution and performance of this Agreement.
- 12.2 Amendment Costs. If the Borrower requests an amendment, waiver or consent, all costs and expenses (including legal fees) reasonably incurred by the Lender in responding to, evaluating, negotiating or complying with that request or requirement shall be due and payable by the Borrower to the Lender within five (5) Business Days of demand.
- 12.3 Enforcement Costs. All costs and expenses incurred by the Lender in connection with the enforcement of, or the preservation of any rights under, any Finance Document shall be due and payable by the Borrower to the Lender within five (5) Business Days of demand.

13. NOTICES

- 13.1 Addresses. All notices, demands, requests, consents, approvals or other communications (any of the foregoing, a “**Notice**”) required, permitted, or desired to be given hereunder shall be in writing sent by (a) facsimile (with confirmation of complete transmission by the sending facsimile) or (b) registered or certified mail, postage prepaid, return receipt requested, or (c) hand delivery, with written verification of receipt signed by a representative of the recipient or (d) reputable overnight courier addressed to the Party to be so notified at its address hereinafter set forth (or to such other address as such Party may hereafter specify in accordance with the provisions of this Clause 13), with written verification of receipt signed by a representative of the recipient or (e) confirmed electronic mail transmission, in each case addressed to the Parties as follows:

- (a) in the case of the Borrower:

Name: China VAST Industrial Urban Development Company Limited
(中國宏泰產業市鎮發展有限公司)

Address: Units 3707-08, 37/F, West Tower, Shun Tak Centre, 168–200
Connaught Road Central, Hong Kong

Facsimile: 2886 3739

Attention: Mr. Huang Peikun

(b) in the case of the Lender:

Name: China Wan Tong Yuan (Holdings) Limited
(中國萬桐園（控股）有限公司)

Address: Unit 3508, 35th Floor, Shun Tak Centre, 168–200 Connaught
Road Central, Hong Kong

Facsimile: N/A

Attention: Ms. Wang Wei

or any substitute address, fax number or department or officer as the Party may notify to the Lender (or the Lender may notify to the Borrower, if a change is made by the Lender) by not less than five (5) Business Days' notice.

- 13.2 Delivery. A Notice shall be deemed to have been received: (i) on the date of sending by telefax if sent during business hours on a Business Day (otherwise on the next Business Day), (ii) five (5) Business Days after the date such Notice is mailed, (iii) on the date of delivery by hand if delivered during business hours on a Business Day (otherwise on the next Business Day), and (iv) on the next Business Day if sent by an overnight commercial courier.

14. PARTIAL INVALIDITY

If, at any time, any provision of this Agreement or any of the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired; and in lieu of such illegal, invalid or unenforceable provision there shall be added automatically as a part this Agreement or such other Finance Document a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible to be legal, valid and enforceable.

15. REMEDIES AND WAIVERS

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under the Finance Documents, shall operate as a waiver of any such right or remedy or constitute an election to affirm any of the Finance Documents. No election to affirm any of the Finance Documents on the part of the Lender shall be effective unless it is in writing. No single or partial exercise of any right or remedy shall prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

16. AMENDMENTS AND WAIVERS

Any term of this Agreement and the Finance Documents may be amended or waived only with the prior written consent of the Lender and the Borrower.

17. ASSIGNMENT

17.1 The Lender may, without the consent of the Borrower, sell, transfer or assign all or any portion of the Loan, or issue one or more participations therein, together with any of its rights and obligations under any Finance Document to another Person.

17.2 The Borrower may not assign any of its rights or transfer any of its rights or obligations under the Finance Documents.

17.3 The Lender may disclose to a potential assignee or other person with whom it may propose contracting any information about the Borrower, including the Finance Documents and the Shares.

18. PRIOR AGREEMENTS

This Agreement and the other Finance Documents contain the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, are superseded by the terms of this Agreement and the other Finance Documents.

19. COUNTERPARTS

This Agreement may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

20. GOVERNING LAW AND JURISDICTION

20.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.

20.2 Jurisdiction. Each of the Parties hereby irrevocably and unconditionally agrees to be subject to the exclusive jurisdiction of the courts of Hong Kong.

20.3 Service of Process.

(a) The Borrower irrevocably consents to any process in any proceedings anywhere being served by mailing a copy by post in accordance with Clause 13. Nothing herein shall affect the right to serve any process in any other manner permitted by law.

(b) Within thirty (30) days of the request (if any) of the Lender, the Borrower shall appoint an agent in Hong Kong for the service of process in relation to any proceedings before the Hong Kong courts in connection with the Finance Documents and deliver or cause to be delivered to Lender an acceptance of such appointment by the agent in a form reasonably satisfactory to the Lender.

IN WITNESS of which the Parties have executed this Agreement on the date stated at the beginning of this Agreement.

[the remainder of this page is intentionally left blank]

THE BORROWER

SIGNED by Huang Peikun)
for and on behalf of)
China VAST Industrial Urban Development)
Company Limited)
(中國宏泰產業市鎮發展有限公司))
in the presence of:)

黃培坤



LAM LAI TSANG

THE LENDER

SIGNED by *Li Xingying*.)
for and on behalf of)
China Wan Tong Yuan (Holdings) Limited)
(中國萬桐園(控股)有限公司))
in the presence of: *Li May Wai*.)

李穎

Li May Wai

Schedule I
Drawdown Notice

From: China VAST Industrial Urban Development Company Limited (中國宏泰產業市鎮發展有限公司)

To: China Wan Tong Yuan (Holdings) Limited (中國萬桐園（控股）有限公司)

Dated:

RMB100,000,000 (or its equivalent in HK\$) loan agreement dated [] 2021 (the "Loan Agreement")

1. We refer to the Loan Agreement. This is the Drawdown Notice. Terms defined in the Loan Agreement shall have the same meaning in this Drawdown Notice.
2. We wish to borrow the Loan on the following terms:

Proposed Drawdown Date:	[] 2021 (or, if that is not a Business Day, the next Business Day)
Amount:	[[RMB/HK\$][] / RMB[] and HK\$[]]
3. The proceeds of this Loan should be credited to [*details of the account and borrowing entity*].
4. This Drawdown Notice is irrevocable.

Yours faithfully

.....
authorised signatory for

China VAST Industrial Urban Development Company Limited
(中國宏泰產業市鎮發展有限公司)