

Dated the 14day of April 2017

**WINNER COSMOS LIMITED**  
as the Borrower

and

**SUN INTERNATIONAL CREDIT LIMITED**  
as the Lender

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**LOAN AGREEMENT**

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**THIS AGREEMENT** is made on the 14 day of April, 2017

**BETWEEN:**

- (1) WINNER COSMOS LIMITED, a company incorporated under the laws of British Virgin Islands (Company No. 1593843), whose registered office is situated at P.O. Box 957 Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands (the "Borrower");  
  
and
- (2) SUN INTERNATIONAL CREDIT LIMITED, a company incorporated under the laws of Hong Kong (Company No. 2232065) whose registered office is situated at Unit 2417-18, China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road C., Sheung Wan, Hong Kong (the "Lender").

**Important Notice:** This agreement sets out the terms and conditions upon which we would provide/continue/renew loan facilities to you. You are advised to read and understand such terms and conditions, and seek independent legal advice before executed this agreement.

**IT IS AGREED** as follows:

**1. INTERPRETATION**

1.1. Definitions: In this Agreement, unless the context requires otherwise:-

"Advance" means the advance made or to be made by the Lender under this Agreement.

"Business Day" means a day (other than a Saturday) on which banks are generally open for banking business in Hong Kong.

"Default Rate" means 3% per month.

"Dollars" and "HK\$" means the lawful currency for the time being of Hong Kong.

"Drawdown Date" means the date, being a Business Day falling within the Drawdown Period, on which the Advance is drawn.

"Drawdown Period" means the period commencing on the date of this Agreement and ending on 14 May 2017 or such other dates as the parties hereto may agree in writing.

"Event of Default" means any of the events specified in Clause 12 below.

"Facility" means the Loan facility of HK\$15,000,000.00 to be made available to the Borrower on the terms and conditions set out in this Agreement.

"Facility Letter" means the facility letter dated 14 April 2017 entered into between Mr. Ng Kwok Wing Michael and the Lender in relation to the grant of a loan in principal amount of HK\$18,000,000.

"Final Repayment Date" means the date falling 1 month from the date of drawdown or such other date as mutually agreed by the Lender and the Borrower.

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China.

"Interest Rate" means the rate of interest of 24% per annum.

"Loan" means the aggregate principal amount from time to time owing by the Borrower to the Lender under this Agreement.

"Outstanding Indebtedness" means the principal and all other amounts owed by the Borrower and Mr. Ng Kwok Wing Michael to the Lender from time to time including all amounts payable by the Borrower and/or Mr. Ng Kwok Wing Michael pursuant to, under or in connection with the Security Documents including, without limitation, all costs, charges and expenses (including legal fees) on a full indemnity basis incurred by the Lender in connection with the perfection or preservation of the security created by any of the Security Documents and the preservation, enforcement or exercise or intended or attempted exercise of any right, power or remedy of the Lender under the Security Documents.

"Security Documents" means this agreement, the deed of guarantee given by Mr. Ng Kwok Wing Michael, the Facility Letter or any other documents or instruments which may hereafter be executed from time to time as a further security for all on any part of the Borrower and/or Mr. Ng Kwok Wing Michael's obligations under this Agreement and the Facility Letter.

"Security Interest" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, security interest or encumbrance of any other kind securing or conferring any priority of payment in respect of any obligation of any person and includes any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security in each case under any applicable law.

"Security Party" means the Borrower, Mr. Ng Kwok Wing Michael and any other person who/which has provided security for all or any part of the obligations of the Borrower under this Agreement.

"Taxes" includes all present and future taxes, levies, imposts, duties, fees or charges of whatever nature together with interest thereon and penalties in respect thereof; and "Taxation" shall be construed accordingly.

1.2 Construction: In this Agreement, unless the context otherwise requires:-

- (A) references to Clauses and Schedules are to be construed as references to the clauses of, and schedules to, this Agreement and references to this Agreement include its Schedules;
- (B) reference in a Clause to a sub-clause is a reference to a sub-clause of that Clause;
- (C) references to (or to any specified provision of) this Agreement or any other document shall be construed as references to this Agreement, that provision or that document as in force for the time being and as amended, varied, novated or supplemented in accordance with the terms thereof, or as the case may be, with the agreement of the relevant parties and (where such consent is, by the terms of this Agreement or the relevant document, required to be obtained as a condition to such amendment, variation, novation or supplement being permitted) the prior written consent of the Lender;
- (D) words importing the plural shall include the singular and vice versa;
- (E) references to a person shall be construed as including references to an individual, firm, company, corporation, unincorporated body of persons or any state or any agency thereof; and
- (F) any reference to the "Borrower" or the "Lender" shall, where the context permits, be construed so as to include their/its and any subsequent successors and permitted transferees and permitted assigns in accordance with their respective interests.

- 1.3 **Clause Headings:** Clause headings, sub-headings and the table of contents are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement.

## 2. **THE LOAN**

Subject to the terms and conditions of this Agreement, in particular Clause 11 below, the Lender hereby agrees to make available during the Drawdown Period to the Borrower a loan of Fifteen Million Hong Kong Dollars (HK\$15,000,000.00).

## 3. **DRAWDOWN**

- 3.1 Subject to the terms and conditions of this Agreement, the Facility will be made available to the Borrower during the Drawdown Period in one (1) Advance and the Advance will be made by the Lender to the Borrower if the following conditions are fulfilled:-

- (A) save and except with the prior consent of the Lender, not less than two (2) Business Day before the proposed Drawdown Date of the Advance, the Lender has received from the Borrower a written request for the Advance in substantially the form of Schedule B duly signed on behalf of the Borrower;
- (B) the Lender having received prior to receipt of the request referred to in sub-Clause 3.1(A) above, all the documents referred to in Schedule A; and
- (C) the proposed Drawdown Date of the Advance is a Business Day.

- 3.2 All amounts to be made available by the Lender to the Borrower shall be made available on the due date in Dollars in immediately available freely transferable cleared funds to the account as specified by the Borrower in the written request under Clause 3.1(A) above for this purpose. The Borrower agrees and acknowledges that crediting the funds to such account so specified shall be full and good discharge of the Lender's obligations hereunder even if such account may not be in the name of the Borrower.

- 3.3 Any request for the Advance under Clause 3.1(A) issued by the Borrower to the Lender shall be effective on actual receipt and, once given, shall be irrevocable.

## 4. **TERM, REPAYMENT AND PREPAYMENT**

### 4.1 **Term**

- 4.1.1 The term of the Loan shall be for a fixed term of one (1) calendar month from the date of drawdown, which may be renewed for further consecutive terms of one month each with the consent by the Lender.
- 4.1.2 The Loan together with interest thereon and any other sums shall be fully paid by the Borrower to the Lender on or before the Final Repayment Date or such other date and on such other terms as mutually agreed by the Lender and the Borrower.
- 4.1.3 The Lender reserves all its rights to demand the Borrower from time to time for repayment of the Loan (or the balance thereof), interest and all other sums, if any, under this letter.

### 4.2 **Repayment**

Subject to Clause 4.1, the Borrower shall repay to the Lender all the outstanding Loan together with accrued interest on or before the Final Repayment Date.

Notwithstanding anything to the contrary contained in this Agreement, the Lender shall have the

right at any time (even in the absence of an Event of Default) by notice in writing to the Borrower to require the Borrower to repay on demand the Loan, interest thereon and all other Outstanding Indebtedness and, in the event of the Lender exercising such right, the Facility shall automatically be cancelled and shall not thereafter be available to the Borrower and the Borrower shall repay to the Lender the Loan, interest thereon and all other Outstanding Indebtedness within 7 Business Days from the date of the Lender's notice of demand. For the avoidance of doubt, it is hereby expressly agreed and declared that the Borrower's rights to (i) make any drawings as mentioned in Clause 3; and (ii) repay the Loan and interest thereon as mentioned in Clause 4.1 shall be subject always to the Lender's overriding right of repayment and cancellation on demand as mentioned in this Clause 4.2, notwithstanding any rule of law or equity to the contrary.

#### **4.3 Prepayment**

The Borrower may prepay the Loan in whole or in part of the outstanding amounts owing under the agreement after the Drawdown Date by notice in writing to the Lender to that effect.

### **5. INTEREST**

#### **5.1 Interest**

5.1.1 The Borrower shall pay interest on the Loan in accordance with the following provisions.

5.1.2 The rate of interest applicable to the Loan shall be 24% per annum (i.e. 2% per month) from the Drawdown Date. All interest shall be calculated on the basis of the actual number of days elapsed and a 365-day year and shall be paid monthly in advance on each Interest Payment Date.

5.1.3 The Lender's certificate of the amount of interest payable under this Agreement shall in the absence of manifest error be conclusive and binding on the Borrower.

5.1.4 Without prejudice to any other right or remedy of the Lender, in the event of default by the Borrower in the repayment or payment on the due date of any part of the Outstanding Indebtedness, the Borrower shall pay interest on the amount overdue from the due date to the date of actual payment of all overdue amounts (as well after as before judgment) at the Default Rate. Such interest shall be calculated on the basis of a 30-day month and the actual number of days elapsed from the date of default, until the date of actual repayment. The certificate of the Lender as to the amount of interest payable under this Agreement as a result of the default shall, in the absence of manifest error, be conclusive and binding on the Borrower.

### **6. SECURITY**

In consideration of the Lender from time to time granting other forbearance, indulgence, time or concession for so long as the Lender thinks fit to the Borrower pursuant to this Agreement, the Borrower as legal and beneficial owner hereby charges by way of first fixed charge all the 6% convertible bonds due 2018 in the principal amount of HK\$3,000,000 issued by Code Agriculture (Holdings) Limited to the Borrower to the Lender as continuing security for the payment and discharge of all moneys, liabilities and obligations (whether actual or contingent, whether as principal, surety or otherwise, whether now existing or hereafter arising, whether or not for the payment of money, and including, without limitation, any obligation or liability to pay damages) which are now or may at any time hereafter be or become due, owing or incurred by the Borrower and/or Mr. Ng Kwok Wing Michael to the Lender under or pursuant to this letter, the Security Documents and/or all other obligations hereby secured including, all legal and other costs, charges and expenses which the Borrower or any receiver may incur in enforcing or obtaining, or attempting to enforce or obtain, payment of any such moneys, debts and liabilities.

## 7. CHANGE OF LAW OR CIRCUMSTANCES

If it becomes unlawful for the Lender to give effect to its obligations hereunder, the Lender shall so notify the Borrower whereupon the Lender's obligations to make available the Advance or maintain the Loan shall cease. The Borrower shall after receipt of notification, or such longer period as the Lender may certify as being permitted by the relevant law prepay the Loan in full together with all interest accrued up to the date of prepayment and any other sums owing hereunder and under the Security Documents.

## 8. PAYMENTS

### 8.1 **By Lender**

Subject to the terms of this Agreement, on the Drawdown Date, the Lender shall make the Advance available to the Borrower by payment in Dollars not later than 2:00 p.m. (Hong Kong time) on the relevant date to such account with such bank in Hong Kong or in such other manner as the Borrower may have specified in the request for the Advance under Clause 3.1(A) above.

### 8.2 **By Borrower**

On each date on which any sum is payable by the Borrower, the Borrower shall make that sum available to the Lender not later than 2:00 p.m. (Hong Kong time) by payment in Dollars in immediately available funds to such account as the Lender may notify the Borrower in writing or in such other manner as the Borrower and the Lender shall agree.

### 8.3 **Business Day Convention**

If any sum would otherwise become due for payment pursuant to this Agreement on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day.

### 8.4 **Certificates**

The Lender's certificate setting out the amount of any sum due under this Agreement shall be conclusive and binding on the Borrower except in the case of manifest error.

## 9. TAXES

All sums payable by the Borrower under this Agreement and/or any of the Security Documents shall be paid (a) free of any restriction or condition, (b) free and clear of and (except to the extent required by law) without any deduction or withholding on account of any Taxes imposed, levied, collected, withheld or assessed by or within Hong Kong or any other jurisdiction from or through which the relevant payment is made by the Borrower and (c) without deduction or withholding (except to the extent required by law) on account of any other amount, whether by way of set-off or counterclaim or otherwise. In the event that the Borrower is required by law to make any such deduction or withholding from any amount paid, the Borrower shall pay to the Lender such additional amount as shall be necessary so that the Lender continues to receive a net amount equal to the full amount which it would have received had no such withholding or deduction been made.

## 10. REPRESENTATIONS AND WARRANTIES

10.1 The Borrower hereby represents and warrants to the Lender that:-

- (A) Agreement Binding: this Agreement constitutes the Borrower's legal, valid and binding obligations enforceable in accordance with its terms;
- (B) Non-Violation of Law, etc: the execution and delivery by the Borrower of this Agreement

to which he is a party and the performance by him of his obligations hereunder and thereunder will not:-

- (1) contravene any provisions of any law or statute; or
  - (2) conflict with, or result in any breach of any of the terms of, or constitute a default under, any agreement or other instrument to which he is a party; or
  - (3) result in the creation or imposition of or oblige him to create any Security Interest other than as permitted under the terms of this Agreement on any of his undertaking, assets, rights or revenues.
- (C) **No Bankruptcy/Winding-up:** he has not taken any action nor has any other step or proceedings been commenced or taken by him or any other person for his bankruptcy or for the appointment of a trustee or similar officer of him or of any or all of his revenues and assets or any other proceedings or process with similar effect;
- (D) **No Litigation, etc:** there is no litigation, arbitration or other legal proceedings or other claims issued or threatened against him as at the date of this Agreement;

10.2 **Repetition:** Each of the representations and warranties made by the Borrower pursuant to Clause 10.1 shall be deemed to be repeated and correct in all material respects on and as of each day from the date on which the Advance is requested, until all monies due or owing by the Borrower under this Agreement have been repaid in full as if made with reference to the facts and circumstances existing on each such day.

10.3 The Lender hereby represents and warrants to the Borrower that the execution by the Lender of this Agreement to which it is a party and the performance by the Lender of its obligations hereunder will not contravene any provisions of any law or statute.

## 11. UNDERTAKINGS

11.1 The Borrower hereby undertakes with the Lender that so long as any sum remains payable under this Agreement and/or any of the Security Documents:-

- (A) **Information:** the Borrower shall provide the Lender with such information pertaining to his financial, business or other condition as the Lender may reasonably require from time to time; and
- (B) **No Material Adverse Change:** there shall not be any material adverse change in the financial condition of the Borrower.

## 12. EVENTS OF DEFAULT

If any of the following events occurs:-

- (A) **Non-Payment:** the non-payment when due of the Loan or any interests or any amounts due under this agreement or any Security Document when due; or
- (B) **Other Obligations:** the Borrower or Security Party commits any breach of or omits to observe any of his material undertakings or obligations under this Agreement to which he is a party and such breach or omission. The Lender shall have the right to offset any deposit(s), equity(ies) or any other assets under the securities trading account(s) of the Borrower's name maintained with Sun International Securities without prior notice; or
- (C) **Breach of Representation:** any representation or warranty made or deemed to be repeated

by any of the Borrower or Security Party pursuant to this Agreement to which he is a party (as the case may be) is or proves to have been untrue, inaccurate or misleading in any respect when made or repeated and, if capable of remedy, is not remedied within 14 days of notice to the relevant Borrower or the Security Party from the Lender requiring remedy of the same; or

- (D) **Enforcement**: any execution is levied against, or an administrator, receiver, trustee or similar officer is appointed or an encumbrancer takes possession of the whole, or any material part, of the property, undertaking or assets of the Borrower or Security Party and is not discharged within 14 days; or
- (E) **Insolvency**: the Borrower or Security Party is unable to pay a substantial part of his debts as they fall due, or stops payment under his respective obligations generally, or commences negotiations with his creditors generally with a view to the general readjustment or rescheduling of his financial indebtedness or makes a general assignment for the benefit of or a composition with his creditors; or
- (F) **Bankruptcy/Winding-up**: the Borrower or Security Party takes any action or any other steps are taken or proceedings are commenced by any of the Borrower or Security Party or any other person for his bankruptcy, winding-up, liquidation, dissolution or for the making of an administration order or for the appointment of a receiver, administrative receiver, trustee or similar officer of him or of any or all of his revenues and assets and such action, steps or proceedings is not discharged or discontinued within 14 days; or
- (G) **Other Jurisdictions**: any event occurs or proceeding is taken with respect to any of the Borrower or Security Party in any jurisdiction to which he is subject which has an effect which is equivalent or similar to any of the events mentioned in sub-Clauses (D), (E), and (F); or
- (H) **Repudiation**: the Borrower or any other Security Party repudiates this Agreement or does or causes to be done any act or thing evidencing the repudiation of this Agreement or any of the Security Documents or any action or proceedings are commenced (and not withdrawn or dismissed within a period of 21 days after its commencement) to enjoin or restrain the performance of or compliance with any respective obligation of the Borrower or any other Security Party under this Agreement or any of the Security Documents or otherwise dispute the ability of the Borrower or any Security Party to enter into, exercise his respective rights or perform or comply with any of his respective obligations under this Agreement or any of the Security Documents; or
- (I) **Cross Default**: any event of default or any other event which triggers the Lender's right to demand early repayment of any part of the Loan;

then, and in such case and at any time thereafter so long as such Event of Default is continuing the Lender shall be entitled to and/or may:-

- (1) declare that the obligations of the Lender to make the Loan available shall be terminated, whereupon the Loan shall be terminated; and/or
- (2) declare that the Loan and all interest accrued thereon and other sums owing under this Agreement have become immediately due and payable, whereupon the same shall become so due and payable without further demand; and/or
- (3) take any action, exercise any other right or pursue any other remedy conferred upon the Lender by this Agreement or the Security Documents or by any applicable law or regulation or otherwise as a consequence of such Event of Default.



**13. STAMP DUTY**

The Borrower shall pay to the Lender promptly, and in any event before any penalty becomes payable, any stamp, documentary, registration or similar Taxes payable in connection with the entry into, performance, enforcement or admissibility in evidence of this Agreement and/or the Security Documents and/or any amendment or waiver thereof, and shall indemnify the Lender against any liability with respect to or resulting from any delay in paying or omission to pay any such Taxes.

**14. ASSIGNMENT AND TRANSFER**

14.1 Benefit of Agreement: This Agreement shall be binding upon and ensure to the benefit of each party hereto and its successors and permitted assignees and transferees.

14.2 Assignment and Transfer by the Parties: The Lender, but not the Borrower, may assign or transfer all or any of his/its rights, benefits and/or obligations under this Agreement and the Security Documents by giving no less than 2 Business Days prior written notice to the Borrower.

**15. REMEDIES, WAIVERS AND AMENDMENTS**

15.1 No Implied Waivers, Remedies Cumulative: No failure or delay on the part of the Lender in exercising any right or remedy under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise thereof 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.

15.2 Amendments: Any provision of this Agreement may be amended only if the Borrower and the Lender so agree in writing.

**16. NOTICES**

Every notice, request, demand or other communication under this Agreement shall:-

- (A) be in writing delivered personally or by prepaid registered letter or facsimile;
- (B) be deemed to have been received, subject as otherwise provided in this Agreement, in the case of a facsimile, at the time when despatched with confirmed facsimile report (provided that if the date of despatch is not a business day in the city of the addressee it shall be deemed to have been received at the opening of business on the next such business day) and, in the case of a letter, when delivered personally or, in the case of a registered letter, on the 5th Business Day after posting if airmail and 2nd Business Day if local mail; and
- (C) be sent to such address or fax number as is notified by one party to the other from time to time.

**17. PARTIAL INVALIDITY**

The illegality, invalidity or unenforceability of any provision of this Agreement under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

**18. COUNTERPARTS**

This Agreement may be signed in any number of counterparts, all of which when taken together shall constitute one and the same instrument. Each party may enter into this Agreement by signing any such counterpart.

**19. WHOLE AGREEMENT**

- 19.1 This Agreement and the documents referred to in it contain the whole agreement between the parties relating to the Loan and related transactions contemplated by this Agreement and supersede all previous agreements, written or otherwise, between the parties relating thereto.
- 19.2 Each of the parties to this Agreement acknowledges that in agreeing to enter into this Agreement it has not relied on any representation, warranty or other assurance except those set out in this Agreement.

**20. TIME OF THE ESSENCE**

Time shall be of the essence in relation to this Agreement.

**21. FURTHER ASSURANCE**

Each of the parties undertakes with each of the other parties that it shall do, or shall procure to be done, all such acts and things and shall execute, or shall procure to be executed, all such documents as may be necessary or appropriate to implement the provisions of this Agreement or otherwise give full legal force and effect to the intention of the parties hereto.

**22. GOVERNING LAW**

- 22.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.
- 22.2 The parties irrevocably agree that the courts of Hong Kong is to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement.
- 22.3 Each of the parties hereto irrevocably waives any objection which it may now or hereafter have to the laying of the venue of any proceedings in the courts of Hong Kong and any claim that any such proceedings have been brought in an inconvenient forum and further irrevocably agrees that a judgment in any proceedings brought in the courts of Hong Kong shall be conclusive and binding upon the relevant party and may be enforced in the courts of any other jurisdiction, in each case to the fullest extent permitted by law.

**SCHEDULE A: DOCUMENTS AND EVIDENCE REQUIRED AS CONDITIONS PRECEDENT  
FOR DRAWDOWN**

**Principal Documents**

- (A) Duly executed original of this Agreement;
- (B) Copy of HKID Card of Mr. Ng Kwok Wing Michael; and
- (C) Original Proof of Address of Mr. Ng Kwok Wing Michael.

**SCHEDULE B: FORM OF DRAWDOWN REQUEST**

**14 April 2017**

To : Sun International Credit Limited  
Unit 2417-18,  
24/F  
China Merchants Tower  
Shun Tak Centre  
168-200 Connaught Road C.,  
Sheung Wan  
Hong Kong

Dear Sirs,

**Re: HK\$15,000,000 Loan Agreement dated 14 April 2017 (the "Loan Agreement")**

We refer to the Loan Agreement. Terms defined in the Loan Agreement shall have the same meanings herein.

We hereby give you notice that we wish to drawdown the Advance in the sum of HK\$15,000,000 on 14 April 2017 and apply such Advance to settle the outstanding principal amount of the loan owing by us to you and under the loan agreement dated 14 April 2017 and entered into between you and us.

We confirm that the representations and warranties made by us in the Loan Agreement are true and correct at the date hereof as if made with respect to the facts and circumstances existing at such date.


For and on behalf of  
Winner Cosmos Limited

  
\_\_\_\_\_  
Ng Kwok Wing Michael  
Director

IN WITNESS WHEREOF the parties hereto have caused this Agreement to be duly executed the day and year first above written.

**THE BORROWER**

EXECUTED as a deed by affixing the common seal of )  
)  
**WINNER COSMOS LIMITED** )  
)  
in the presence of :- )  
)  
)

  
\_\_\_\_\_  
Name:  
Director

**THE LENDER**

SIGNED by )  
)  
)  
For and on behalf of )  
**SUN INTERNATIONAL CREDIT LIMITED** )  
in the presence of:- )



Received from the Lender  
a duplicated copy of this agreement and each Security Document:

For and on behalf of  
Winner Cosmos Limited


  
\_\_\_\_\_  
Name:  
Director  
Date:

The specimen signature of the Borrower is appended hereunder:

Borrower:

  
\_\_\_\_\_

Witness:

  
\_\_\_\_\_  
Name: TSO HON SAI BOSCO  
Date: Solicitor, Hong Kong SAR  
of Messrs. Tso Au Yim & Yeung, Solicitors.