



太陽國際信貸有限公司

SUN INTERNATIONAL CREDIT LIMITED

A member of Sun International Resources Limited (Stock Code:8029)

太陽國際資源有限公司成員股票編號:8029

Ref :

Date: 14 February 2018

To : **Ng Kwok Wing Michael**
(the "Borrower")

Important Notice:	This letter 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 accepting this letter.
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Dear Sirs,

Re: Loan Facility

Further to our recent discussions, we (the "Lender") are pleased to offer the Facility (as defined hereinafter) to you subject to the terms and conditions as stated below :-

1. Facility

Term loan facility with a principal amount of HK\$18,000,000.00
(Hongkong Dollars Eighteen Million only)

2. Availability Period

The Facility will be available for drawing during the period of one (1) month from the date of this letter.

3. Drawdown

After the Lender notifying the Borrower the fulfillment (or waiver) of the Conditions Precedent (as defined hereinafter), the Facility may be drawn in one lump by the Borrower giving the Lender a utilization notice two (2) banking days before the intended drawdown date, which shall be a date within the Availability Period.



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4. Interest rate

Interest shall accrue on the amount(s) advanced under the Facility (the “**Loan**”) at the rate of 24% per annum (i.e. HK\$360,000 per month); and payable monthly by the Borrower to the Lender in advance. The interest for the first month of the term of the Loan (i.e. HK\$360,000) shall be paid in advance on the date of drawdown.

5. Term and Repayment

- (a) The term of the Facility 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.
- (b) The Loan together with interest thereon and any other sums shall be fully paid by the Borrower to the Lender on or before the date falling one calendar month from the date of drawdown (the “**Repayment Date**”) or such other date and on such other terms as mutually agreed by the Lender and the Borrower.
- (c) 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.

6. Collateral Securities

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 letter, the Borrower has procured Winner Cosmos Limited (“**Winner Cosmos**”), a company wholly-owned by the Borrower, as legal and beneficial owner to charge 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 Winner Cosmos 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 Winner Cosmos to the Lender under or pursuant to this letter, the loan agreement dated 14 January 2018 and entered into between Winner Cosmos and the Lender in relation to the grant of a loan in the principal amount of HK\$15,000,000 (the “**Winner Cosmos Loan Agreement**”), the guarantee given by the Borrower in favour of the Lender (the “**Guarantee**”), together with this letter, the Winner Cosmos Loan Agreement, the “**Security Documents**”) and/or all other obligations hereby secured including, all legal



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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. Conditions Precedent

N/A

8. Prepayment

The Borrower shall have an option at any time to make early repayment of the whole or part of the outstanding amounts owing under the Facility after the date of drawdown by notice in writing to the Lender to that effect.

9. Representations and Warranties

The Borrower hereby represents and warrants to the Lender as follows :-

- (a) Winner Cosmos is duly incorporated under the laws of its place of incorporation with the power and authority to enter into and exercise its rights and perform its obligations under this letter and/or each Security Document to which it is a party;
- (b) all actions required to authorise the acceptance of this letter by Winner Cosmos and its execution and performance of its obligations under this letter and/or each Security Document to which it is a party have been duly taken;
- (c) the exercise by each of the Borrower and Winner Cosmos of his/its rights and performance of his/its obligations under this letter and/or each Security Document to which he/it is a party will neither contravene any law or regulations to which it/he is subject nor cause him/it to be in breach of or default under any agreement/document binding on him /it or any of his /its assets;
- (d) the obligations of each of the Borrower and the Security Parties under this letter and/or each Security Document to which he/it is a party are legal, valid, binding and enforceable against him/it;
- (e) all governmental or other licenses, consents, registration, filings and authorisations requisite for the execution, delivery and performance of this letter and/or any Security Document to which each of the Borrower and Winner Cosmos is a party have been obtained or complied with and are in full force and effect; and
- (f) each of the representations and warranties contained above will remain correct



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and be complied with so long as the any amount due and owing under this letter and/or any Security Document remains outstanding.

10. Undertakings

The Borrower hereby undertakes with the Lender that so long as any amount remains outstanding under this letter or any Security Document, the Borrower shall:-

- (a) duly observe and perform all the covenants, undertakings, representations, warranties, conditions and provisions contained in this letter;
- (b) procure each Security Party to duly observe and perform all the covenants, undertakings, representations, warranties, conditions and provisions contained in any Security Document to which he/she/it is a party;
- (c) promptly upon becoming aware of it, notify the Lender of any event or thing which would be likely to materially and adversely affect the ability of the Borrower and/or any Security Party to perform his/her/its obligations under this letter or any Security Document;
- (d) at all times keep the Lender indemnified against all actions, suits, expenses and claims which may be incurred or sustained on account of the breach, non-observance or non-performance of any of the covenants, undertakings, representations, warranties, conditions and provisions contained in this letter or in any Security Document whether by the Borrower or any Security Party;
- (e) forthwith notify the Lender in writing of any litigation, arbitration or administrative proceedings which are brought against or threatened against the Borrower or any Security Party;
- (f) provide the Lender promptly with all financial information relating to the Borrower and/or any Security Party as the Lender may from time to time require;
- (g) procure that the Borrower's obligations under this letter do and will rank at least pari passu with all his/her/its present and future unsecured obligations, except for those preferred by law; and
- (i) comply with all other conditions and documentation reasonably requested by the Lender.

11. Events of Default

Without prejudice to any other rights of the Lender under this letter, the Borrower agrees



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and acknowledges that the Lender shall have the right to demand the Borrower to make immediate payment of all the outstanding amounts due from the Borrower to the Lender in full together with interest accrued thereon and/or to terminate the Facility immediately if any of the following events ("**Events of Default**") occurs or exists:-

- (a) the non-payment when due of the Loan or any interests or any amounts due under this letter or any Security Document when due; or
- (b) the breach, non-performance or non-observance by the Borrower or any Security Party of any of the terms and conditions contained in this letter or any Security Document; or
- (c) any distress, levy or execution, appointment of liquidator, receiver, trustee or similar official is made or threatened against the Borrower or any Security Party and/or any of his/her/its assets or business or if any event analogous thereto occurs; or
- (d) any material part of the assets, rights or revenues of the Borrower or any other Security Party (including, without limitation, its share capital (if applicable)) shall be seized, expropriated, re-entered or resumed or shall be subject to compulsory purchase or acquisition (whether subject to compensation or not) or shall be wholly or substantially destroyed; or
- (e) any petition, resolution or order for bankruptcy or liquidation against the Borrower or any Security Party; or
- (f) any official consent or official requirement necessary for or in connection with the establishment or operation or continued operation in a manner acceptable to the Lender of the business of the Borrower is not given or not obtained or is revoked, withdrawn, terminated or changed or is or becomes subject to conditions unacceptable to the Lender; or
- (g) any indebtedness of the Borrower, other than in relation to the Facility (i) is not paid when due or within any applicable grace period in any agreement relating to that indebtedness, (ii) becomes due and payable or capable of being declared due and payable before its stated or anticipated maturity by reason of a default or event of default, however described or (iii) which is in respect of a guarantee, becomes actual liability and such actual liability is not paid or discharged within seven (7) banking days; or
- (h) any litigation, arbitration or administrative proceedings before any court, arbitration or other relevant authority is current, pending or threatened against any of the Borrower and/or any Security Party; or



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- (i) it is or will become unlawful for the Borrower or any Security Party to perform or comply with obligations under this Letter or any Security Document or any such obligation is not or ceases to be enforceable; or
- (j) any action or proceeding of or before any court or authority shall be commenced (and not withdrawn or dismissed within a period of thirty (30) days after its commencement) to enjoin or restrain the performance of and compliance with any obligation expressed to be assumed by the Borrower or any Security Party in this letter or any Security Document or in any manner to question the right and power of the Borrower or any Security Party to enter into, exercise its rights under and perform and comply with any obligation expressed to be assumed by it in this letter or any Security Document to perform any or all of his/her/its obligations under this letter or any Security Document; or
- (k) any change of circumstances or happening of events, which in the Lender's reasonable point of view, may give rise to a material adverse impact on the financial position of the Borrower; or
- (l) any representation, warranty or statement made by or in respect of the Borrower or any Security Party in or pursuant to this letter or any Security Document is or proves to have been incorrect or misleading in any respect; or
- (m) the occurrence of any event which, in the opinion of the Lender may or shall jeopardize, prejudice or affect any of the rights, interests or benefits of the Lender under this letter or any Security Document; or
- (n) in the sole opinion of the Lender, any security created under any Security Document is in jeopardy or is ineffective; or
- (o) at any time when the Lender shall, in its sole discretion, consider it necessary for the protection the rights, interests or benefits of the Lender.

12. Default interest

If the Borrower fails to pay any sum on its due date for payment under this letter, whether in respect of principal or interest, and without prejudice to all the other rights of the Lender under any Security Document, the Lender reserves all rights to charge simple interest at the rate of 2% per month on that sum from the date of default, until the date of actual repayment.



13. Currency Indemnity

Any amount received or recovered by the Lender from the Borrower under this Letter in a currency other than the currency (the "Account Currency") in which payment has been demanded pursuant hereto (whether as a result of, or of the enforcement of, a judgment or order of a court, tribunal or authority of any jurisdiction, in the bankruptcy or dissolution of the Borrower or otherwise) shall only constitute a discharge to the Borrower to the extent of the amount of the Account Currency which the Lender is able, in accordance with its usual practice, to purchase with amounts so received or recovered in that other currency. If that amount is less than the amount due to or claimed by the Lender in the Account Currency, the Borrower shall indemnify the Lender against any loss sustained by the Lender, which indemnity is an independent and separate claim and cause of action against the Borrower.

14. Debt Collection

- (a) The Borrower acknowledges and agrees that the Lender may appoint any person as its agent to collect any or all indebtedness owed by such Borrower to the Lender and the Borrower shall be responsible for all reasonable costs and expenses which may be incurred by the Lender for that purpose on each occasion.
- (b) The Lender shall have, and the Borrower hereby expressly admits and agrees that the Lender does have, the right to disclose to debt collection agency appointed by the Lender all personal data relating to the Borrower for that purpose on any occasion.
- (c) The Borrower acknowledges and agrees that all personal data relating to the Borrower (the "Data") may be used and disclosed by the Lender for the purposes of enforcing the terms herein.

15. Variation and Waiver

Time shall be of the essence of this Letter, but no failure or delay on the part of the Lender to exercise or enforce any right, remedy, power or privilege hereunder shall impair the same or operate as a waiver thereof, nor shall any single or partial or defective exercise of any right, remedy or privilege preclude any other or further exercise or enforcement thereof or the exercise of any other right, remedy or privilege. No act or conduct or negotiation on the part or on behalf of the Lender shall in any way preclude it from exercising any right, remedy, power or privilege hereunder or constitute a suspension or any variation of any such right, remedy, power or privilege. Any consent required to be given under any provision hereof may be given subject to such conditions as the Lender may specify. Any waiver or consent shall be effective only in the instance and for the



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purpose for which it is given. The rights, remedies, powers and privileges herein provided are cumulative, may be exercised as often as the Lender considers appropriate and are not exclusive of any rights, remedies, powers or privileges provided by law. Any provision of this Letter may be amended only if the Borrower and the Lender so agree in writing and any Event of Default may be waived before or after it occurs only if the Lender so agrees in writing.

16. Law and Jurisdiction

The terms and conditions of this letter as agreed by the parties shall be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region. The parties hereto agree to submit to the non-exclusive jurisdiction of the courts of the Hong Kong Special Administrative Region.

17. Whole Agreement and Severability

This letter and any other applicable terms constitutes the whole and entire agreement between the Lender and the Borrower in respect of the Facility and cancel and supersede any prior agreements and undertakings, whether written or oral, in respect thereof. If any provision hereunder is or becomes prohibited or unenforceable in any jurisdiction, such prohibition and unenforceability shall not invalidate or render unenforceable the provision concerned in any other jurisdiction, not shall it invalidate, affect or impair the other remaining provisions.

18. Assignment

- (a) The terms and conditions of this letter and any other applicable terms (if any) shall be binding upon and ensue for the benefit of the Lender and the Borrower and their respective successors.
- (b) The Borrower shall not assign or transfer any of its rights and/or obligations under the terms and conditions of this letter.
- (c) The Lender may assign all or any part of its rights or benefits or transfer all or any part of its obligations under this letter to any one or more persons (each an "Assignee") without the consent of the Borrower.
- (d) If the Lender assigns all or any part of its rights or benefits or transfers all or any part of its obligations as provided hereof, all relevant references in this letter to the Lender shall thereafter be construed as a reference to the Lender and/ or the Assignee(s) to the extent of their respective interests and, in the case of a transfer of all or part of the Lender's obligations, the Borrower shall thereafter look only to each Assignee in respect of that proportion of the Lender's obligations as



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corresponds to the obligations transferred to and assumed by such Assignee.

- (e) The Lender may disclose on a confidential basis to a potential Assignee or to any other person who may propose entering into contractual relations with the Lender in relation to this letter such information about the Borrower as the Lender shall consider appropriate.

19. Other Applicable Terms and Conditions

The Facility will also be subject to any applicable terms and conditions contained in any Security Document. In the event of any discrepancy between such terms and conditions and those set out in this letter, the latter shall prevail.

20. Money Lenders Ordinance (Cap. 163 of The Laws Of Hong Kong)

The Borrower hereby acknowledges receipt of a summary of the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) in the Schedule of this letter in the prescribed form as set out in Schedule 3 to the Money Lenders Regulations (Cap. 163A of the Laws of Hong Kong).



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Yours faithfully,

For and on behalf of

SUN INTERNATIONAL CREDIT LIMITED

Authorized Signatory



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Schedule

The Money Lenders Ordinance

The provisions of the Money Lenders Ordinance summarized below are important for the protection of all the parties to a loan agreement, and should be read carefully. The summary is not part of the law, and reference should be made to the provisions of the Ordinance itself in case of doubt.

Summary of Part III of the Ordinance-Money lenders transactions

Section 18 sets out the requirements relating to loans made by a money lender. Every agreement for a loan must be put into writing and signed by the borrower within 7 days of making the agreement and before the money is lent. A copy of the signed note of the agreement must be given to the borrower, with a copy of this summary, at the time of signing. The signed note must contain full details of the loan, including the terms of repayment, the form of security and the rate of interest. An agreement which does not comply with the requirements will be unenforceable, except where a court is satisfied that it would be unjust not to enforce it.

Section 19 provides that a money lender must, if requested in writing and on payment of the prescribed fee for expenses, give the original and a copy of a written statement of a borrower's current position under a loan agreement, including how much has been paid, how much is due or will be due, and the rate of interest. The borrower must endorse on the copy of the statement words to the effect that he has received the original of the written statement and return the copy as so endorsed to the money lender. The money lender must retain the copy of the statement so returned during the continuance of the agreement to which that statement relates. If the money lender does not do so he commits an offence. The money lender must also, upon a request in writing, supply a copy of any document relating to the loan or security. But a request cannot be made more than once per month. Interest is not payable for so long as the money lender, without good reason, fails to comply with any request mentioned in this paragraph.

Section 20 provides that the surety, unless he is also the borrower, must within 7 days of making the agreement be given a copy of the signed note of the agreement, a copy of the security instrument (if



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After due and careful consideration of the contents of this letter and each Security Document, I/we agree to accept the Facility and be bound by all the terms and conditions herein set out.

Ng Kwok Wing Michael
Borrower

RECEIVED from the Lender
a duplicate copy of this letter and each Security Document :-

Ng Kwok Wing Michael
Borrower
Date :

The specimen signature of the Borrower is appended hereunder :-

Borrower :

Witness : X
Name

TSO HON SAI BOSCO
Solicitor, Hong Kong SAR



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any) and a statement with details of the total amount payable. The money lender must also give the surety, upon request in writing at any time (but not more than once per month) a signed statement showing details of the total sum paid and remaining to be paid. The security is not enforceable for so long as the money lender, without good reason, fails to comply.

Section 21 provides that a borrower may at any time, on giving written notice, repay a loan together with interest to the date of repayment, and no higher rate of interest may be charged for early repayment.

This provision, however, will not apply where the money lender is recognized, or is a member of an association recognized, by the Financial Secretary by notice in the Gazette in force under section 33A(4) of the Ordinance.

Section 22 states that a loan agreement is illegal if it provides for the payment of compound interest, or provides that a loan may not be repaid by instalments. A loan agreement is also illegal if it charges a higher rate of interest on amounts due but not paid, although it may provide for charging simple interest on that part of the principal and interest outstanding at a rate not exceeding the rate payable apart from any default. The illegal agreement may, however, be declared legal in whole or in part by a court if the court is satisfied that it would be unjust if the agreement were illegal because it did not comply with this section.

Section 23 declares that a loan agreement with a money lender and any security given for the loan will not be enforceable if the money lender was unlicensed at the time of making the agreement or taking the security. The loan agreement or security may, however, be declared enforceable in whole or in part by a court if the court is satisfied that it would be unjust if the agreement or security were unenforceable by virtue of this section.

Summary of Part IV of the Ordinance-Excessive interest rates

Section 24 fixes the maximum effective rate of interest on any loan at 60% per annum (the "effective rate" is to be calculated in accordance with the Second Schedule to the Ordinance). A loan agreement providing for a higher effective rate will be unenforceable and the lender will be liable to prosecution. This maximum rate may be changed by the Legislative Council but not so as



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to affect existing agreements. The section does not apply to any loan made to a company which has a paid up share capital of not less than \$1,000,000 or, in respect of any such loan, to any person who makes that loan.

Section 25 provides that where court proceedings are taken to enforce a loan agreement or security for a loan or where a borrower or surety himself applies to a court for relief, the court may look at the terms of the agreement to see whether the terms are grossly unfair or exorbitant (an effective rate of interest exceeding 48% per annum or such other rate as is fixed by the Legislative Council, may be presumed, on that ground alone, to be exorbitant), and, taking into account all the circumstances, it may alter the terms of the agreement in such a manner as to be fair to all parties. The section does not apply to any loan made to a company which has a paid up share capital of not less than \$1,000,000 or, in respect of any such loan, to any person who makes that loan.