

City China International Limited

Flat E, 23rd Floor, The Globe,
No. 79 Wing Hong Street, Kowloon, Hong Kong

Date : 29th August 2023

Main Profit Investment Limited

(明潤投資有限公司)

Block A, 7th Floor, Phase 6,
Hong Kong Spinners Building,
481-483 Castle Peak Road,
Cheung Sha Wan, Kowloon,
Hong Kong

RE: LOAN FACILITY: HK\$80MILLION

We are pleased to offer a revolving loan facility of up to HK\$80 million (the "Facility") to you (the "Borrower") on the following terms and conditions.

The Facility is subject to review at any time and subject to our overriding right of repayment on demand. The Lender shall have an unrestricted discretion and right to determine whether or not to permit drawings in relation to the Facility and to cancel or suspend the Facility at anytime.

1. (a) Borrower

Main Profit Investment Limited (明潤投資有限公司) of Block A, 7th Floor, Phase 6, Hong Kong Spinners Building, Nos. 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong (Company No.2446192), as borrower ("Borrower").

(b) Guarantor

EASYKNIT INTERNATIONAL HOLDINGS LIMITED (永義國際集團有限公司), an exempted company incorporated under the laws of Bermuda with registration No. 19913, whose principal place of business in Hong Kong is situate at Block A, 7th Floor, Hong Kong Spinners Building, Phase 6, 481-483 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong with registration No. F0006937 as guarantor (the "Guarantor").

2. Facility and Limit

Effective Date : The date on which all the Conditions Precedent are fulfilled.

Loan : The Borrower may draw the Facility in one or multiple advances (each an "Advance") of no less than HK\$1,000,000 per Advance from the Effective Date. Any repaid Advance will be

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available for drawing, provided that the aggregate outstanding amount of Advances (together, the "Loan") shall not exceed HK\$80,000,000 at any time.

The Facility can only be drawn when all Conditions Precedent are fulfilled.

3. Facility and Conditions

Revolving Loan Facility (RLN) : Facility Amount: Up to HK\$80,000,000.

Purpose: General working capital of Easyknit International Holdings Limited ("Easyknit") and its subsidiaries ("Easyknit Group") including financing its property development(s).

Drawdown: Advances can be made in HK\$ in a minimum amount of HK\$1 million and an integral multiple(s) of HK\$100,000, subject to availability as determined at the Lender's discretion. The Borrower shall give the Lender prior written notice (a "Drawdown Notice") of each Advance proposed hereunder of not less than three (3) 'Business Days' (being a day other than a Saturday, Sunday or public holiday on which commercial banks in Hong Kong are open for business).

Availability Period: From the Effective Date up to one month before the Maturity Date provided that no Advance will be made for an interest period which extends beyond the Maturity Date.

Interest Rate and Payment: interest in respect of each Advance, 6% (six) per annum, payable in arrears at the end of the relevant interest period, or three (3) months if no interest period is selected. The Borrower shall in the relevant Drawdown Notice select an interest period for that Advance ("Interest Period") which shall be 1/2/3/6 month(s) and if it does not do so the relevant interest period shall be three (3) months.

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Repayment: Each Advance (together with interest) shall be repayable on the maturity date of such Advance unless the Lender allows for rollover(s).

The Loan and all sums owing shall be repaid by the Borrower no later than the Maturity Date.

Prepayment: Voluntary prepayment(s) are allowed without penalty save voluntary prepayment of an Advance is not permitted during the Interest Period relating to that Advance.

Arrangement Fee: HK\$80,000, being 0.1% of the maximum principal amount of the Loan, payable by the Borrower to the Lender on the Effective Date.

Default interest rate: Ten (10)% per annum on all sums due but remaining unpaid

Maturity Date: the last Business Day before the second anniversary of the Effective Date.

Conditions Precedent: Conditions Precedent to drawdown are the following:

- (1) Execution of this letter and the Guarantee by the Guarantor in form and substance satisfactory to the Lender.
- (2) Receipt by the Lender and/or Eminence Enterprise Limited all necessary corporate, shareholder or government or other (if any) approvals and consents in relation to the Facility as may be required under the laws of Hong Kong or the Listing Rules of the Hong Kong Stock Exchange.
- (3) Receipt by the Borrower and/or Easyknit International Holdings Limited all necessary corporate, shareholder or government or other (if any) approvals and consents in relation to the Facility as may be required

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under the laws of Hong Kong or the Listing
Rules of the Hong Kong Stock Exchange.

4. Security

The Facility and each Advance shall be secured by the Guarantee.

5. Representations

The Borrower makes the representations and warranties set out in this Clause to the Lender on the date of acceptance of this Facility Agreement and on the date of each Drawdown Notice:

(a) Status

Each of the Borrower and the Guarantor are duly incorporated with limited liability under the laws of its jurisdiction of incorporation and has the power to own its assets and carry on its business as it is being conducted.

(b) Power and authority

Each of the Borrower and the Guarantor has the power and authority to enter into this Facility Letter and the Guarantee to which it is a party and to perform and observe the obligations under those documents.

(c) No Event of Default

No Event of Default has occurred which has not been waived by the Lender.

(d) No misleading information

All information provided by or on behalf of the Borrower and the Guarantor is true, complete and accurate in all material respects as at the date it was provided and has not become materially adversely misleading or incorrect.

(e) No conflict with other obligations

The entry into and performance by the Borrower and the Guarantor, and the transactions contemplated by, this Facility Letter and the Guarantee do not and will not conflict with:

- (i) any law or regulation applicable to it;
- (ii) its constitutional documents; or

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(iii) any agreement, deed or other document binding on it or constitute a default or event of default (however described) under any such agreement, deed or other document.

(f) Financial information

(i) The latest audited accounts of the Borrower and the latest audited consolidated accounts of the Guarantor give a true and fair view of its consolidated financial condition as at its end date and have been prepared in accordance with the account principles and practices generally accepted in Hong Kong; and

(ii) Since the date of the Borrower's and the Guarantor's latest audited accounts as the case may be it has not incurred, save in the ordinary course of business, any substantial liability whether actual or contingent.

(g) No proceedings pending or threatened

(i) There are no litigation or proceedings against or, as far as the Borrower is aware, threatened against, the Borrower or the Guarantor which might have a materially adverse effect on its financial condition, business or assets.

(ii) Neither the Borrower nor the Guarantor is in default under any agreement to which it is party or by which it may be bound, where such default might have a material adverse effect on its business, assets or condition.

(h) Deduction of tax

Neither the Borrower nor the Guarantor is required to make any deduction for or on account of any tax, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) from any payment it may make under pursuant to this Facility Letter or the Guarantee.

(i) Time for making representations

Each of the above representations and warranties will be taken to be made by the Borrower daily during the Availability Period by reference to the facts and circumstances existing at the date the representation or warranty is made.

6. Events of Default and Acceleration

Each of the events or circumstances set out in this Clause is an Event of Default: -

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- (i) if the Borrower fails to pay any principal, interest, arrangement fee or any other sum payable under any finance arrangement or document on the day on which the same is due and payable, or in the case of any sum expressed to be payable on demand, forthwith upon any such demand for the payment thereof being made;
- (ii) if any Guarantor fails to pay any sum payable under a any finance arrangement or document on the day upon which the same is due and payable thereunder, or in the case of any sum expressed to be payable thereunder on demand, forthwith upon any such demand for the payment thereof being made;
- (iii) if the Borrower fails to perform or observe any of its other obligations, covenants or undertakings under any finance document and either the Lender considers that such failure is not capable of remedy or, if the Lender considers that such failure is capable of remedy, such failure shall not have been remedied to the Lender's satisfaction within ten (10) Business Days of the Lender giving notice to the Borrower or the Borrower becoming aware of the failure to comply;
- (iv) if the Guarantor fails to perform or observe any obligations, covenants or undertakings under any finance and/or security document and either the Lender consider that such failure is not capable of remedy or, if the Lender considers that such failure is capable of remedy, such failure shall not have been remedied to the Lender's satisfaction within ten (10) Business Days of the Lender giving notice;
- (v) any representation or statement made or deemed to be made by the Borrower in any finance document and/or any security document or any other document delivered by or on behalf of the Borrower or the Guarantor is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- (vi) if in respect of the Borrower or the Guarantor any loan, guarantee, indemnity or other indebtedness or any other obligation for borrowed money becomes or is declared or becomes capable of being declared due prematurely by reason of an event of default (however described) or a default in its obligations in respect of the same or (2) it fails to make any payment in respect of such loan, guarantee, indemnity or other indebtedness or obligation for borrowed money on the due date for such payment or (3) the security for any such loan, guarantee, indemnity or other indebtedness or obligation for borrowed money becomes enforceable; or (4) any commitment for indebtedness of any other obligation or borrowed money is cancelled or suspended by its creditor as a result of an event of default (however described);
- (vii) if in respect of the Borrower or the Guarantor: -

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- (a) any order is made by a competent court or other appropriate authority or any resolution is passed or any petition is filed or other legal proceedings are started or any other action is taken for bankruptcy, liquidation, winding up or dissolution or for the appointment of a liquidator, receiver, trustee or similar official of it or of all or a substantial part of its assets otherwise than for the purpose of amalgamation, merger or re-construction, terms of which have previously been approved by the Lender; or
- (b) a distress or execution is levied or enforced upon or sued out against any of its chattels, properties, or assets and shall not have been discharged or stayed within thirty (30) days thereafter, or
- (c) it stops payment to creditors generally or is unable or admits inability to pay its debts within the meaning of any applicable legislation relating to insolvency, bankruptcy, liquidation or winding up, or commences negotiations with one or more of its creditors with a view to the general readjustment or rescheduling of all or part of its indebtedness or proposes to enter into or enters into any composition or other arrangement for the benefit of its creditors generally or any class of creditors or proceedings are commenced in relation to it under any law, regulation or procedure relating to reconstruction or readjustment of debts; or
- (viii) if it becomes impossible or unlawful in Hong Kong for the Borrower or the Guarantor, to fulfil any of its undertakings or obligation under this Facility Agreement or the Guarantee or the Lender is unable to exercise its rights under any of the aforesaid documents; or
- (ix) if anything is done or suffered or omitted to be done by the Borrower or the Guarantor which (in the opinion of the Lender) puts or may put in jeopardy the Guarantee or any security in connection herewith, and, if it is (in the opinion of the Lender) capable, of remedy, it shall not have been remedied to the Lender's satisfaction within ten (10) Business Days after receipt by the Borrower of notice from the Lender requiring remedy; or
- (x) if the Borrower or the Guarantor suspends or ceases or threatens to suspend or cease to carry on its business without the prior written consent of the Lender; or
- (xi) if there occurs, in each case in the opinion of the Lender, (i) a material adverse change in the business, assets, prospects or condition (financial or otherwise) of the Borrower or the Guarantor or (ii) any other event or circumstances which might materially and adversely affect the ability of the Borrower and/or the Guarantor to perform its obligations under this Facility Agreement and/or the Guarantee; or

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- (xii) if the registered or the beneficial ownership (whether immediate or ultimate) of the Borrower changes without the prior written consent of the Lender; or
- (xiii) if any consent, authorisation, licence or approval of, or registration with or declaration to, governmental or public bodies or authorities or courts required by the Borrower or the Guarantor in connection with the execution, delivery, validity, enforceability or admissibility in evidence of any finance document or security document or the performance of its obligations under any finance document or security document is modified in manner which would materially and adversely affect the ability of the Borrower or the Guarantor to perform its obligations under this Facility Agreement or the Guarantee and is unacceptable to the Lender or is not granted or is revoked or terminated or expires and is not renewed or otherwise ceases to be in full force and effect; or
- (xiv) if the Borrower or the Guarantor repudiates this Facility Agreement or the Guarantee or any finance document or security document or does or causes or permits to be done any act or thing evidencing an intention to repudiate any of the aforesaid documents; or
- (xv) if, without the prior written consent of the Lender, any steps is taken by an person for the purpose of a reconstruction, amalgamation, reorganisation, merger or take-over of the Borrower or the Guarantor; or
- (xvi) if any litigation, arbitration or administrative proceeding is brought against the Borrower or the Guarantor, which would have a material adverse effect on the ability of the Borrower or the Guarantor to perform any of its obligations under this Facility Agreement or the Guarantee or any of the finance documents or security documents;

the Borrower shall notify the Lender immediately in writing of any occurrence of an Event of Default or any event which would (with the expiry of a grace period, the giving of notice, the making of any determination) be an Event of Default.

The Lender may on and at any time after the occurrence of an Event of Default declare that this Facility is cancelled.

Please arrange for the copy of this letter to be signed by the Borrower and the Guarantor and return the same to the Lender with Board Resolution(s) of the Borrower and the Guarantor before within three (3) days from the date hereof, failing which our offer shall lapse unless it is extended by us at our absolute discretion.

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IN WITNESS WHEREOF this Agreement has been executed by the Parties on the day and year first above written.

The Borrower

SEALED with the COMMON SEAL of)
Main Profit Investment Limited)

and SIGNED by )

in the presence of:)

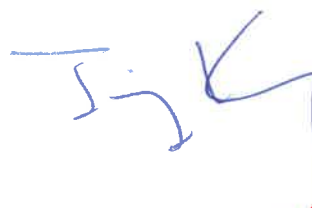


The Lender

SEALED with the COMMON SEAL of)
City China International Limited)

and SIGNED by)
)

in the presence of:)



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Guarantor

SEALED with the COMMON SEAL of)
Easyknit International Holdings Limited)

and SIGNED by **KOON Ho Yan Candy**)

LUI Yuk Chu)

in the presence of:)

