

Dated 18 December 2023

Wang On Group Limited
(as Borrower)

Wai Yuen Tong Medicine Company Limited
(as Lender)

**REVOLVING LOAN
FACILITY AGREEMENT**

Reed Smith Richards Butler LLP
17/F One Island East
18 Westlands Road
Taikoo Place
Quarry Bay, Hong Kong

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THIS REVOLVING LOAN FACILITY AGREEMENT (this “**Agreement**”) is dated 18 December 2023 and made between:

- (1) Wang On Group Limited, a company incorporated in Bermuda with limited liability with company registration number 18881 and registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda (the “**Borrower**”); and
- (2) Wai Yuen Tong Medicine Company Limited, a company incorporated in Hong Kong with limited liability with company incorporation number 80384 whose registered address is at Room 3101, 31/F, Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong (the “**Lender**”).

(The Borrower and the Lender shall be individually referred to as a “**Party**” and collectively as the “**Parties**”.)

IT IS AGREED as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement:

- “**Business Day**” means a day (excluding Saturday, Sunday and public holiday) on which banks are open for general business in Hong Kong;
- “**Default**” means an Event of Default or any event or circumstance specified in Clause 7 which would (with the expiry of a grace period, the giving of notice, the making of any determination under this Agreement or any combination of any of the foregoing) be an Event of Default;
- “**Drawdown**” means a drawdown of the Loan as described in Clause 2.2;
- “**Drawdown Date**” means the date on which the Loan is or is to be drawn;
- “**Drawdown Notice**” means a notice (which shall be in the form as substantially set out in Schedule 1) to be given by the Borrower to the Lender requesting a Drawdown;
- “**Drawdown Period**” means a period of sixty (60) months immediately following this Agreement being duly executed;
- “**Event of Default**” means any event or circumstance specified as such in Clause 7;
- “**HKS**” means Hong Kong Dollar, the lawful currency of Hong Kong;
- “**Interest Payment Date**” means the last day of an Interest Period;
- “**Interest Period**” means, in relation to the Loan, each period determined in accordance with Clause 3.2 and, in relation to any Unpaid Sum, each period determined in accordance with Clause 3.3;

“Interest Rate”	means, subject to Clause 3.3 with respect to any Unpaid Sum, ten per cent. (10%) per annum;
“Loan”	means the unsecured revolving loan facility in a principal amount not exceeding HK\$100,000,000 in aggregate made or to be made by the Lender to the Borrower under this Agreement or (as the context requires) the principal amount outstanding for the time being of that loan;
“Repayment Date”	means the date falling five (5) years from the date of this Agreement;
“Unpaid Sum”	means any sum due and payable but unpaid by the Borrower under this Agreement; and
“WYT”	means Wai Yuen Tong Medicine Holdings Limited, the holding company of the Lender.

1.2 Construction:

Unless the context otherwise requires, any reference in this Agreement to:

- (a) the “Borrower”, the “Lender”, or any “Party” shall be construed so as to include its successors in title, permitted assignees and permitted transferees;
- (b) references to “Clauses” are to be construed as references to the clauses of this Agreement;
- (c) a provision of law is a reference to that provision as amended or re-enacted from time to time;
- (d) references to this Agreement shall be construed as references to such document as the same may be amended, supplemented or novated from time to time; and
- (e) a time of day is a reference to Hong Kong time.

2. LOAN

- 2.1 The Lender shall make available to the Borrower the Loan upon the terms and subject to the conditions of this Agreement.
- 2.2 The Borrower may, on any Business Day during the Drawdown Period, draw down the Loan in full in one lump sum or in amounts of HK\$1,000,000 in multiple tranche(s) by sending the Lender (no later than 11 a.m. on the first Business Day before the proposed Drawdown Date) a duly completed Drawdown Notice.
- 2.3 The Drawdown Notice shall be irrevocable. Following the Lender’s receipt of a Drawdown Notice, the Lender shall deposit or transfer (as the case may be) the relevant proceeds of the Loan into the Borrower’s designated HK\$ bank account maintained with a licensed bank in Hong Kong or the designated payee (as the case may be) as set out in the Drawdown Notice on the relevant Drawdown Date.

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2.4 The granting of the Loan is conditional upon the shareholders of WYT who are permitted to vote passing an ordinary resolution at a shareholders meeting of WYT to approve the grant of the Loan under this Agreement.

3. INTEREST

3.1 The Borrower shall pay interest in arrears on any amount of the Loan which has been drawdown on the Interest Payment Date at the Interest Rate.

3.2 Interest Periods

- (a) Each Interest Period applicable to the Loan shall be of six (6) months' duration or on such other date as may be agreed by the Borrower and the Lender.
- (b) The first Interest Period for the Loan shall start on the date of this Agreement or such other date as may be agreed between the Borrower and the Lender.
- (c) Any Interest Period which would otherwise end on a non-Business Day shall instead end on the next following Business Day, or, if that Business Day is in another calendar month, on the immediately preceding Business Day.
- (d) If any Interest Period commences on the last Business Day of a calendar month or on a day for which there is no numerically corresponding day in the calendar month six (6) months thereafter being the Interest Period determined by paragraph (c) or (e) of this Clause 3.2, it shall end on the last Business Day of such later calendar month.
- (e) Any Interest Period which would otherwise overrun the Repayment Date shall end on the Repayment Date.

3.3 If the Borrower fails to pay any amount payable by it under this Agreement on or before its due date, interest shall accrue on the Unpaid Sum from the due date to the date of the actual payment (both before and after judgment) at the rate of fifteen per cent. (15%) per annum. Any interest accruing under this Clause shall be immediately payable by the Borrower on demand by the Lender. Default interest payable under this Clause 3.3 arising on an Unpaid Sum shall be compounded with the Unpaid Sum on a daily basis but will remain immediately due and payable.

3.4 Any interest under this Agreement shall accrue on a day-to-day basis, calculated according to the number of actual days elapsed and a year of 365 days.

4. REPAYMENT

4.1 The Borrower shall repay the Loan outstanding in full on the Repayment Date together with all other monies and accrued interest (if any) then outstanding in connection with the Loan.

4.2 The Borrower shall be entitled to, at its discretion, prepay the Loan in part (in amounts of HK\$1,000,000 in multiple tranche(s)) or in full at any time. Any

prepayment under this Agreement shall be made together with accrued interest on the amount prepaid and without premium or penalty. The Borrower may re-borrow any part of the Loan which is prepaid, up to the available amount under the Loan in accordance with the terms of this Agreement.

- 4.3 In the event of any repayment or prepayment of the Loan under this Agreement which does not fall on an Interest Payment Date, interest shall accrue from day to day commencing on the last day of the immediately preceding Interest Period or (if no Interest Period has elapsed) the Drawdown Date and shall be calculated on the basis of the actual number of days elapsed over a year of 365 days.
- 4.4 The Lender may at any time when any part of the Loan is outstanding, demand repayment of the Loan and any Unpaid Sum.

5. PAYMENT

- 5.1 All payments by the Borrower under this Agreement shall be made to the Lender not later than 5 p.m. on the relevant due date by payment in immediately available funds to such account as the Lender may specify and notify the Borrower in writing from time to time, or by any other means as agreed between the Lender and the Borrower.
- 5.2 All sums payable by the Borrower under this Agreement shall be paid in full without set-off or counterclaim or any restriction or condition and free and clear of any tax or other deductions or withholdings of any nature. If the Borrower or any other person is required by any law or regulation to make any deduction or withholding (on account of tax or otherwise) from any payment, the Borrower shall, together with such payment, pay such additional amount as will ensure that the Lender receives (free and clear of any tax or other deductions or withholdings) the full amount which it would have received if no such deduction or withholding had been required. The Borrower shall promptly forward to the Lender copies of official receipts or other evidence showing that the full amount of any such deduction or withholding has been paid over to the relevant taxation or other authority.

6. REPRESENTATIONS AND WARRANTIES

- 6.1 The Borrower represents and warrants to the Lender that:
- (a) the Borrower is duly incorporated and validly existing under the laws of Bermuda;
 - (b) it has full power, authority and legal right to own its property and assets and to carry on its business;
 - (c) it has full power, authority and legal right to enter into and engage in the transactions contemplated by this Agreement and has taken all necessary action to execute and perform this Agreement;
 - (d) this Agreement constitutes its legal, valid and binding obligations enforceable in accordance with its terms;
 - (e) the execution and delivery, the performance of its obligations under, and

compliance by it with the provisions of this Agreement will not (i) conflict with or result in a breach of any law, regulation, judgment, order, authorization, agreement or obligation applicable to it or (ii) contravene or conflict with any provision of the constitutional documents of the Borrower;

- (f) it is not necessary in order to ensure the validity, enforceability or admissibility in evidence in proceedings in Hong Kong or any other relevant jurisdiction in relation to this Agreement that this Agreement or any other documents be filed or registered with any authority in Hong Kong or elsewhere or that any tax be paid in respect thereof;
- (g) no litigation, arbitration or administrative proceeding (if any) is currently taking place or pending or, to its knowledge, threatened against it or any of its assets; and no state or official investigation or enquiry concerning it or its operations is in progress or to its knowledge has been threatened;
- (h) it has not taken any action, nor have any other steps been taken or legal proceedings been started threatened against it for its liquidation, bankruptcy or administration (if any) or for the appointment of an administrator or trustee of any or all of its assets;
- (i) it is not in default under any law, regulation order, authorization, agreement or obligation applicable to it or any of its assets or revenues, the consequences of which default could materially and adversely affect its business or financial condition or its ability to perform its obligations under this Agreement;
- (j) it has not had any material liabilities (contingent or otherwise) which were not disclosed to the Lender or reserved against therein nor any unrealised or anticipated losses arising from commitments entered into by it which were not so disclosed or reserved against the Lender;
- (k) no Default or Event of Default has occurred and is continuing or might reasonably be expected to result from the making of the Loan;
- (l) the choice of Hong Kong law as the governing law of this Agreement and any judgment obtained in Hong Kong in relation to this Agreement are valid and binding and will be recognised and enforced against it;
- (m) its payment obligations under the Agreement rank at least *pari passu* with the claims of all of its other unsecured and unsubordinated creditors; and
- (n) neither it nor any of its assets is entitled to immunity privilege on the grounds of sovereignty or otherwise from any legal action or proceeding (which shall include, without limitation, suit, set-off, attachment prior to judgment, execution or other enforcement) and it is generally subject to civil and commercial law.

6.2 The Borrower acknowledges that the Lender has entered into this Agreement in reliance upon the representations and warranties contained in this Clause 6.

7. EVENTS OF DEFAULT

7.1 Each of the following events or circumstances set out below is an Event of Default:

- (a) Non-Payment. The Borrower does not pay on the due date any amount payable pursuant to this Agreement.
- (b) Other Obligations. The Borrower does not comply with any provision of this Agreement (other than those referred to in paragraph (a) above).
- (c) Misrepresentation. Any representation or statement made by the Borrower is or proves to have been incorrect in any material respect or misleading when made or deemed to be made.
- (d) Insolvency Proceedings. Any action, proceedings or other procedure or step is taken in relation to:
 - (i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower;
 - (ii) a composition, assignment or arrangement with any creditor of the Borrower;
 - (iii) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of the Borrower or any of its assets; or
 - (iv) the enforcement of any documents affecting the ownership of any assets of the Borrower,or any analogous procedure or step is taken in any jurisdiction.
- (e) Creditors' process. Any expropriation, attachment, sequestration, distress or execution or any analogous process in any jurisdiction affects any asset or assets of the Borrower.
- (f) Cross Default. Any indebtedness of the Borrower is not paid when due or becomes due or capable of being declared due prior to the date when it would otherwise have become due as a result of an event of default (howsoever described).
- (g) Unlawfulness and Invalidity.
 - (i) It is or becomes unlawful for the Borrower to perform any of its obligations under this Agreement.
 - (ii) Any obligation or obligations of the Borrower under this Agreement are not or cease to be legal, valid, binding or enforceable and the cessation

individually or cumulatively adversely affects the interests of the Lender under this Agreement.

- (iii) This Agreement ceases to be legal, valid, binding, enforceable or effective in any respect.

7.2 The Lender may, without prejudice to any other rights of the Lender, at any time after the occurrence of an Event of Default by notice to the Borrower: -

- (a) declare that the obligation of the Lender to advance the Loan shall be terminated; and/or
- (b) declare that the Loan, all interest and all other sums payable under this Agreement have become due and payable, whereupon the same shall, immediately or in accordance with the terms of such notice, become due and payable without further demand or other legal formality of any kind; and/or
- (c) take any action, exercise any other right or pursue any other remedy conferred upon the Lender by this Agreement or by any applicable law or regulation or otherwise as a consequence of such Event of Default.

8. ASSIGNMENT

8.1 Neither Party may assign or transfer all or any part of its rights or obligations under this Agreement at any time unless the prior written consent of the other Party is obtained.

9. NOTICES

9.1 Any notice required to be given by any Party to any other shall be deemed validly served by hand delivery or by prepaid registered letter sent through the post (airmail if to an overseas address) to its address given herein or such other address as may from time to time be notified for this purpose and any notice served by hand shall be deemed to have been served upon the delivery and any notice served by prepaid registered letter shall be deemed to have been served forty-eight (48) hours (seventy-two (72) hours in the case of a letter sent by airmail to an address in another country) after the time at which it was posted and in proving service it shall be sufficient (in the case of service by hand and prepaid registered letter) to prove that the notice was properly addressed and delivered or posted, as the case may be. Any notice if given by e-mail, at the time of sending of the e-mail (provided that the sending party has not subsequently received any automated message that the e-mail has not been delivered).

9.2 Each notice, demand or other communication given or made under this Agreement shall be in writing and delivered or sent to the relevant Party at its address or email address set out below (or such other address as the addressee has by five (5) days' prior written notice specified to the other Party):

Borrower

Address : Room 3202, 32/F, Skyline Tower 39 Wang Kwong

Email : Road, Kowloon Bay, Kowloon, Hong Kong
 : angus.cheung@wangon.com
Attention to : Company Secretarial

Lender
Address : Room 3101, 31/F, Skyline Tower39 Wang Kwong
 : Road, Kowloon Bay, Kowloon, Hong Kong
Email : angus.cheung@wangon.com
Attention to : Company Secretarial

10. GENERAL

- 10.1 Any certification or determination by the Lender of a rate or amount under this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.
- 10.2 No term of this Agreement may be amended or waived without the prior written consent of both Parties.
- 10.3 If, at any time, any provision of this Agreement 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.
- 10.4 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.
- 10.5 Except as expressly provided by this Agreement, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong) to enforce this Agreement.
- 10.6 Each Party shall bear its own costs, charges and expenses incurred in relation to this Agreement and the negotiations, preparation, execution, performance and completion of all documents and matters relating to the transactions contemplated under this Agreement.

11. GOVERNING LAW AND NON-EXCLUSIVE JURISDICTION

- 11.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.
- 11.2 The Parties hereby submit to the non-exclusive jurisdiction of the courts in Hong Kong.

[Signature Page Follows]

SCHEDULE 1
FORM OF DRAWDOWN NOTICE

Date:

From: Wang On Group Limited

To: Wai Yuen Tong Medicine Company Limited

Dear Sirs,

**Re: Revolving Loan Facility Agreement dated December 2023 (the
“Loan Facility Agreement”)**

We refer to the captioned Loan Facility Agreement. Terms defined in the Loan Facility Agreement have the same meanings in this notice.

Pursuant to Clause 2.2 of the Loan Facility Agreement, we hereby give you notice of drawdown of the Loan as follows:

Amount: HK\$

Drawdown Date:

The proceeds of the Loan are to be made available by credit to the following account:

Bank Code:	
Swift Code:	
Account Name:	
Account Number:	

OR

The proceeds of the Loan shall be paid to _____ in full by *such means as provided by the Borrower*.

This Drawdown Notice is irrevocable.

For and on behalf of
Wang On Group Limited

Name:

Title:

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Execution page

This Agreement has been executed by the Parties on the date first above written.

Borrower

Signed by
Stephanie
for and on behalf of
Wang On Group Limited

)
) *For and on behalf of*
) **WANG ON GROUP LIMITED**
)
) 
)
) *Authorized Signature(s)*

Stephanie
Director

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Lender

Signed by
Tang Wai Man
for and on behalf of
Wai Yuen Tong Medicine Company
Limited

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)
)
)
)

For and on behalf of
Wai Yuen Tong Medicine
Company Limited


.....
Authorized Signature

Tang Wai Man
Director

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