

DATED 24 AUGUST 2021

**XINYANG MAOJIAN GROUP LIMITED**  
(as Company)

and

**CHAN YUEN TUNG**  
(as Subscriber)

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**SUBSCRIPTION AGREEMENT**

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THIS AGREEMENT is dated 24 August 2021 and made

**BETWEEN:**

- (1) **XINYANG MAOJIAN GROUP LIMITED**, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability having its registered office at Victoria Place, 5<sup>th</sup> Floor, 31 Victoria Street, Hamilton HM10, Bermuda and its principal place of business in Hong Kong at Room 4007, 40/F, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong (the “**Company**”); and
- (2) **CHAN YUEN TUNG**, a Hong Kong resident (holder of HKID Card Number [REDACTED] with correspondence address at Room [REDACTED] (the “**Subscriber**”).

**BACKGROUND:**

- (A) At the date hereof, the Company has an authorised capital of HK\$500,000,000 divided into 5,000,000,000 ordinary shares of HK\$0.1 par value each (the “**Shares**”, each a “**Share**”), of which 1,603,707,319 Shares have been issued and are fully paid up and are listed on the Main Board (as defined below) of the Stock Exchange (as defined below).
- (B) The Subscriber is the beneficial owner of 382,000,000 Shares and the Subscriber has agreed to sell up to 170,000,000 of such Shares (the “**Placing Shares**”, each a “**Placing Share**”) on the terms and subject to the conditions set out in the Placing Agreement (as defined below).
- (C) The Company has agreed to issue and the Subscriber has agreed to subscribe for such number of new Shares (the “**Subscription Shares**”, each a “**Subscription Share**”) which is equivalent to the number of Placing Shares actually placed under the Placing Agreement, on the terms and subject to the conditions set out in this Agreement.
- (D) Application will be made to the Stock Exchange by the Company for listing of, and permission to deal in, the Subscription Shares.

**THE PARTIES AGREE THAT:**

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this Agreement (including the Recitals above), the following expressions shall, unless the context requires otherwise, have the following meanings:

“**Agreement**” means this top-up subscription agreement as amended or varied from time to time by an agreement in writing duly executed by the Parties;

<b>“Business Day”</b>	means any day (excluding Saturday, Sunday, public holiday and a day on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for business in Hong Kong, and <b>“Business Days”</b> shall be construed accordingly;
<b>“Closing Date”</b>	means the Business Day immediately after the date on which all conditions set out in Clause 3.1 are fulfilled, or such later time and/or date as the Placing Agent may agree in writing;
<b>“Companies Ordinance”</b>	means the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) for the time being in force;
<b>“Director(s)”</b>	means the director(s) of the Company
<b>“Group”</b>	means the Company and its Subsidiaries, and the expression <b>“member of the Group”</b> shall be construed accordingly;
<b>“Hong Kong”</b>	means the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“HK\$” or “HK dollars” or “Hong Kong dollars”</b>	means the lawful currency of Hong Kong;
<b>“Listing Rules”</b>	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
<b>“Main Board”</b>	means the Main Board of the Stock Exchange of Hong Kong Limited;
<b>“Parties”</b>	means the named parties to this Agreement and their respective successors and permitted assigns, each a <b>“Party”</b> ;
<b>“Placing”</b>	means the placing of the Placing Shares by the Placing Agent on the terms and subject to the conditions set out in the Placing Agreement;
<b>“Placing Agent”</b>	means China Tonghai Securities Limited;
<b>“Placing Agreement”</b>	means an agreement of the same date as this Agreement entered into between the Subscriber, the Placing Agent and the Company in respect of the Placing;

<b>“Placing Announcement”</b>	means the press announcement in the agreed form proposed to be issued by the Company as soon as practicable following the execution of the Placing Agreement;
<b>“SFC”</b>	means the Securities and Futures Commission of Hong Kong;
<b>“Stock Exchange”</b>	means The Stock Exchange of Hong Kong Limited;
<b>“Subscription”</b>	means the subscription by the Subscriber for the Subscription Shares on the terms and subject to the conditions set out in this Agreement;
<b>“Subscription Price”</b>	means HK\$0.25 per Subscription Share, which is equal to the price per Placing Share; and
<b>“Subsidiary”</b>	has the same meaning as in Section 15 and schedule 1 of the Companies Ordinance as at the date hereof, and <b>“Subsidiaries”</b> shall be construed accordingly.

## 1.2 Construction and Certain References

- (a) Any reference to a document being *“in the agreed form”* means in the form of the document or the draft thereof signed for identification on behalf of the Subscriber and the Company with (in the case of a draft) such alterations (if any) as may be agreed between the Subscriber and the Company.
- (b) References in this Agreement to persons include references to bodies corporate and references to the singular include references to the plural and vice versa.
- (c) References to Recitals, Clauses and Schedule are to the recitals and clauses of and the schedule to this Agreement.
- (d) In this Agreement, (save as otherwise expressly stated herein) references to any statute, statutory provision or Listing Rule includes a reference to that statute, statutory provision or Listing Rule as from time to time amended, extended or re-enacted.
- (e) In this Agreement, where any statement is qualified by the expression *“so far as the Company is aware”* that statement shall be deemed to include an additional statement that it has been made after due and careful enquiry.

1.3 Headings are for convenience only and shall not affect the interpretation of this Agreement.

## 2. AGREEMENT TO SUBSCRIBE

2.1 The Subscriber agrees to subscribe as principal for, and the Company agrees to allot and issue, the Subscription Shares at the Subscription Price, free from all liens, charges, security interests, encumbrances and adverse claims on the Closing Date on the terms and subject to the conditions set out in this Agreement.

2.2 The Company agrees that the Subscription Shares will, when fully paid, rank pari passu in all respects among themselves and with the other Shares in issue as at the Closing Date including the rights to all dividends and other distributions declared, made or paid at any time on or after the Closing Date.

## 3. CONDITIONS

3.1 Completion of this Agreement is conditional upon:

- (a) completion of the Placing having taken place pursuant to the terms of the Placing Agreement; and
- (b) listing of, and permission to deal in, all the Subscription Shares being granted by the Stock Exchange (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares).

3.2 Each of the Company and the Subscriber shall use its best endeavours to procure the fulfilment of the conditions set out in Clause 3.1 and in particular shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by each other, the SFC and/or the Stock Exchange in connection with the fulfilment of such conditions and the Company will inform the Subscriber promptly following the fulfilment of the same.

3.3 If the conditions set out in Clause 3.1 are not fulfilled on or prior to 10 September 2021, this Agreement shall terminate and neither of the Parties will have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of this Agreement.

## 4. COMPLETION OF THE SUBSCRIPTION

4.1 Subject to the fulfilment of the conditions set out in Clause 3.1 and subject to the performance by the Subscriber of its obligations under Clause 4.2, completion shall take place at the offices of the Company at 4:00 p.m. (Hong Kong time) on the Closing Date or such other time as the Parties may agree, at which time the Company shall: -

- (a) allot and issue to the Subscriber or as it may direct the Subscription Shares and shall procure that the Subscriber and/or his nominee(s) are

registered on the register of the Company in Hong Kong as a member or members of the Company in respect thereof and shall cause to be delivered to the Subscriber definitive share certificate(s) in respect of the Subscription Shares in the name of the Subscriber and/or as he may direct in board lots (as nearly as practicable) or otherwise as the Subscriber may direct; and

(b) deliver to the Subscriber certified copies of the resolutions of the Directors approving the allotment and issue of the Subscription Shares pursuant to Clause 4.1(a).

4.2 On or before the Closing Date, the Subscriber shall deliver to the Company an application for the Subscription Shares signed by the Subscriber or such other person(s) as nominated by the Subscriber substantially in the form set out in the Schedule.

4.3 On the Closing Date, the Company shall apply the net proceeds from the Placing (“**Net Proceeds**”) received by it from the Placing Agent pursuant to the terms of the Placing Agreement towards payment of the aggregate Subscription Price of the Subscription Shares.

## 5. EXPENSES

5.1 Subject to the Parties’ agreement concerning the Subscription Price, the Company shall be liable for the costs and expenses of all the legal and other professional advisers and out-of-pocket expenses incurred in connection with the Placing, the Subscription and associated transactions.

5.2 The Company shall reimburse, indemnify and keep indemnified the Subscriber for all expenses properly incurred by the Subscriber in connection with the Placing and the Subscription (including but not limited to the fee payable to the Placing Agent, stamp duty, Stock Exchange trading fee, SFC transaction levy and legal fees), net of (where applicable) any interest accrued and received by the Subscriber (if any) on the Net Proceeds during the period between completion of the Placing and completion of the Subscription.

5.3 Without prejudice to the generality of Clause 5.2 above, in the event that completion of the Placing Agreement does not occur in accordance with its terms, the Company shall reimburse to the Subscriber any legal fees and out-of-pocket expenses which the Subscriber shall be obliged to pay in connection with the Placing.

5.4 Notwithstanding anything contained herein, in the event that the Subscription does not take place, the Company shall forthwith return the Net Proceeds, without interest, to the Subscriber.

## 6. WARRANTIES, REPRESENTATIONS AND UNDERTAKINGS

6.1 In consideration of the Subscriber entering into this Agreement and agreeing to perform its obligations hereunder, the Company hereby warrants and represents, in relation to the Subscription Shares, to and for the benefit of the Subscriber as follows:

- (a) the Company is duly incorporated and validly existing under the laws of its place of incorporation with power to conduct its business in the manner presently conducted and the information contained in the Recitals is true and accurate;
- (b) all necessary consents and authorisations have been obtained to enable the Company to allot and issue the Subscription Shares, the Company has power under its constitutional documents to enter into this Agreement and the entering into this Agreement is duly authorised by the Company and when duly executed will constitute valid and legally binding and enforceable obligations of the Company;
- (c) the Subscription Shares will be allotted and issued in accordance with the Bye-laws of the Company and with all relevant laws of Hong Kong and the applicable rules and regulations of the Stock Exchange (including but not limited to the Listing Rules) and will rank pari passu in all respects inter se and with all other Shares in issue on the Closing Date;
- (d) the Subscription Shares will on allotment and issue be free from all liens, charges, encumbrances and third party rights of whatsoever nature and together with all rights attaching thereto as at the Closing Date including the right to receive all dividends and other distributions which may be declared, made or paid in respect of the Shares, the record date for which shall fall on or after the Closing Date; and
- (e) save as previously disclosed to the public in writing the Company is not in breach in any material respect in the context of the Placing of any rules, regulations or requirements of the Stock Exchange or any applicable law, decree, judgement, legislation, order, regulation, statute, ordinance, treaty or other legislative measure.

The provisions of this Clause 6.1 shall only apply to the Company to the extent and/or in circumstances where it is lawful for the Company to make the representations and warranties contained in this Clause 6.1 or to make a payment as a result of any claim in respect of them.

**6.2** The Subscriber represents and undertakes to the Company that:

- (a) the Subscriber has the power and authority (whether corporate or otherwise) to enter into this Agreement and this Agreement has been duly authorised and executed by, and constitutes legally binding obligations of, the Subscriber and all necessary authorities have been obtained to enable the Subscription by it;
- (b) it will accept the Subscription Shares subject to the Bye-laws of the Company; and
- (c) it is subscribing for the Subscription Shares as a principal and not as agent or trustee for any other person.

- 6.3 Each of the Parties hereby undertakes to the other to procure that no disclosure or public announcement or communication (other than the Placing Announcement) concerning the Subscription and/or the Company which is material in relation to the Subscription shall be made or despatched between the date hereof and the Closing Date without the prior written consent (such consent shall not be unreasonably withheld or delayed) of the other Party as to the context, timing and manner of making or despatch thereof, save as required by any applicable law or the Stock Exchange or the SFC.
- 6.4 Each Party hereby represents and warrants to the other Party that all statements of facts contained in the Placing Announcement relating to itself are true and accurate in all material respects and are not misleading in the context of the Subscription and all expressions of opinion, expectation and intention expressed therein made by or on behalf of the Company are in all respects made on reasonable grounds and are truly and honestly held and fairly based and that there are no facts known or which could on reasonable inquiry have been known to the relevant Party or (where applicable) any of its directors and which are not disclosed in the Placing Announcement the omission of which would make any statement in the Placing Announcement misleading or which might reasonably be considered to be material for disclosure.
- 6.5 The Subscriber hereby undertakes to the Company to provide the Company promptly with all such information as shall be reasonably required by the Stock Exchange, the SFC or other regulatory authority.
- 6.6 The representations, warranties and undertaking contained in this Clause 6 shall remain in full force and effect notwithstanding completion of the Subscription. Each of the Company and the Subscriber (as the case may be) hereby undertakes to notify the other Party of any matter or event coming to its attention prior to completion of the Subscription which shows any relevant representation or warranty to be or to have been untrue or inaccurate at the date hereof or at any time prior to completion of the Subscription.

## 7. TERMINATION

- 7.1 Notwithstanding anything contained in this Agreement, the Company and/or the Subscriber shall be entitled by notice given to the other Party at any time prior to the Closing Date to terminate this Agreement if, by the date of such termination notice, the Placing Agreement has been terminated in accordance with Clause 7.1 of the Placing Agreement.
- 7.2 If notice is given pursuant to Clause 7.1 above, this Agreement shall terminate and be of no further effect and neither Party shall be under any liability to any other in respect of this Agreement other than in respect of any liabilities which have arisen prior to such termination.

## 8. LIMITATION OF LIABILITIES

- 8.1 The liability of the Company in respect of any breach of any warranties contained in this Agreement shall be limited as provided in this Clause 8.



8.2 The aggregate amount of liability of the Company for all claims made in connection with the warranties contained herein shall not exceed the aggregate Subscription Price for the Subscription Shares.

8.3 The Company shall not be liable for any claim in respect of the warranties contained herein unless the Company shall have received from the Subscriber written notice of such claim specifying in reasonable details the event of default to which the claim relates and the nature of the breach and (if capable of being quantified at that time) the amount claimed not later than the expiry of the period of one year from the Closing Date; and the Subscriber shall reimburse to the Company an amount equal to any sum paid by the Company to satisfy any claim under the warranties contained herein which is subsequently and actually recovered by or paid to the Subscriber by any third party after deducting all reasonable costs and expenses incurred by the Subscriber arising from and incidental to the recovery of such amount from the third party.

9. TIME OF THE ESSENCE

Any date or period mentioned in any Clause may be extended by mutual agreement between the Company and the Subscriber, but, as regards any date or period originally fixed or any date or period so extended as aforesaid, time shall be of the essence.

10. NOTICES

10.1 All notices delivered hereunder shall be in writing in the English language and shall be communicated to the following addresses or facsimile numbers:

If to the Subscriber:

Chan Yuen Tung

[REDACTED]

Facsimile : [REDACTED]  
Attention : Mr. Chan Yuen Tung

If to the Company, to:

Xinyang Maojian Group Limited

Room 4007, 40/F, China Resources Building, 26 Harbour Road,  
Wan Chai, Hong Kong

Facsimile : (852) 2845 3131  
Attention : Chan Yuk Foebe

10.2 Any such notice shall be served either by hand or by facsimile. Any notice shall be deemed to have been served, if served by hand, when delivered, and if sent by facsimile on receipt of confirmation of transmission. Any notice

received on a day which is not a Business Day shall be deemed to be received on the next Business Day.

**11. GOVERNING LAW, JURISDICTION AND MISCELLANEOUS**

**11.1** This Agreement shall be governed by and construed in accordance with the laws of Hong Kong for the time being in force and the Parties hereby irrevocably submit to the non-exclusive jurisdiction of the Hong Kong courts.

**11.2** This Agreement may be executed by the Parties in counterparts.

SCHEDULE

Form of an application for the Subscription Shares

To: XINYANG MAOJIAN GROUP LIMITED (the "Company")

Date: 24 August

Dear Sirs

Subscription of Shares

We refer to the subscription agreement dated 24 August 2021 (the "Agreement") and entered into between (i) Chan Yuen Tung as subscriber; and (ii) the Company as issuer. Unless otherwise defined herein, expressions defined in the Agreement shall have the same meanings where used herein.

Pursuant to the provisions of the Agreement, I hereby apply for the following Shares in the capital of the Company subject to the Bye-laws of the Company at the subscription price of HK\$0.25 per Share, for an aggregate amount of HK\$42,500,000 (the "Total Subscription Price").

I hereby authorise the Company to apply the Net Proceeds towards the payment of the Total Subscription Price and request the Company to register my name and the name(s) of my nominee(s) (if any) in respect of the number of Shares set opposite the respective names below on the register of members of the Company in Hong Kong in accordance with the Bye-laws of the Company.

Registered Owner	Address	No. of Shares
Chan Yuen Tung		170,000,000

You are authorised and requested to allot and issue the Shares to me and deliver the share certificates representing the Shares to me at [●] whose receipt shall be a sufficient discharge of your obligations for the delivery to me of such certificates.

I confirm that I am subscribing the Shares as principal on behalf of myself and not as nominee or agent or trustee for any other person.

Yours faithfully

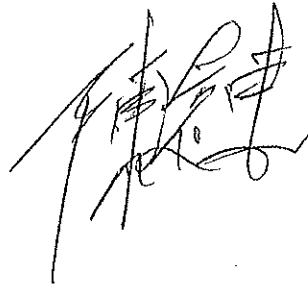
Name: Chan Yuen Tung

AS WITNESS the hands of the duly authorised representatives of the Parties on the day and year first before written.

**THE SUBSCRIBER**

SIGNED by the Subscriber )

in the presence of: )

A handwritten signature in black ink, appearing to be a stylized name, possibly 'K. S. S.', written over a horizontal line.

Witness' signature:

Witness' name:

Witness' ID card / passport number and place of issue:

**THE COMPANY**

SIGNED by )

for and on behalf of )  
the Company )  
in the presence of: )

*For and on behalf of*  
**Xinyang Maojian Group Limited**  
信陽毛尖集團有限公司

.....  
*Authorized Signature(s)*

Witness' signature:

Witness' name:

Witness' ID card / passport number and place of issue: