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*(Continued into Bermuda with limited liability)*

**(Stock Code: 8166)**

## **DISCLOSEABLE TRANSACTION PROVISION OF LOAN**

### **PROVISION OF LOAN**

The Board announces that on 15 January 2020, the Lender, a non-wholly owned subsidiary of the Company, entered into the Loan Agreement with the Borrower, an indirect associate of the Company, pursuant to which the Lender agreed to grant the Loan in the principal amount of RMB5,500,000 (equivalent to approximately HK\$6,188,050) to the Borrower for a term of 36 months at an interest rate of 10% per annum.

### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Loan exceeded 5% but were all less than 25%, the provision of the Loan constituted a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and was subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

Due to inadvertent oversight, the Company failed to comply with the notification and announcement requirements regarding the Loan in a timely manner in accordance with Chapter 19 of the GEM Listing Rules. In order to avoid the recurrence of similar events in the future, the Company will take remedial actions to ensure that the GEM Listing Rules are strictly complied with.

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## **THE LOAN AGREEMENT**

The principal terms of the Loan Agreement are summarized as follows:

|                          | <b>Loan Agreement</b>  |
|--------------------------|--|
| <b>Date of grant:</b>    | 15 January 2020  |
| <b>Parties:</b>          | (i) the Lender; and<br>(ii) Borrower   |
| <b>Principal amount:</b> | RMB5,500,000<br>(equivalent to approximately HK\$6,188,050)  |
| <b>Interest rate:</b>    | 10% per annum  |
| <b>Term:</b>             | 15 January 2020 to 14 January 2023   |
| <b>Collateral:</b>       | Nil  |
| <b>Repayment:</b>        | Subject as otherwise provided in the Loan Agreement, the Borrower shall repay the Lender its respective loan principal and the accrued interest upon expiry of the term. |

## **FUNDING OF THE LOAN**

The Loan was funded by the Group's internal resources.

## **INFORMATION OF THE GROUP AND THE LENDER**

The Group has been principally engaged in the business of one-stop value chain services, property investment, trading of grocery food products, trading of consumables and agricultural products, provision of money lending services and provision of financial services.

The Lender, a company with limited liability established in the PRC and an indirect non-wholly owned subsidiary of the Company, is engaged in property investment.

## **INFORMATION OF THE BORROWERS**

The Borrower is a company with limited liability established in the PRC, a property development company and an indirect associate of the Company with 22% equity interest.

## **REASONS FOR AND BENEFITS OF THE PROVISION OF LOAN**

The terms of the Loan (including the interest rate) were negotiated on arm's length basis between the Group and the Borrower and were on normal commercial terms based on the Group's internal credit policy. The Loan used by the Borrower as general working capital for the properties under construction. Having considered the purpose of the Loan and the assets of the Borrower, the Group considered that it had performed adequate thorough review based on its loan approval procedures before granting the Loan.

In light of the abovementioned reasons, the Directors were of the view that the terms of the Loan were fair and reasonable and the entering into the Loan Agreement were in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

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Due to inadvertent oversight, the Company failed to comply with the notification and announcement requirements regarding the Loan in a timely manner in accordance with Chapter 19 of the GEM Listing Rules.

## REMEDIAL MEASURES

The Company is fully aware of the non-compliance with the requirements in accordance with the GEM Listing Rules. In order to avoid the recurrence of similar events in the future, the follow actions will be taken by the Group to ensure that the GEM Listing Rules are strictly complied with:

- 1) the Company will review and enhance the reporting procedures, to ensure any potential notifiable transactions would be promptly reported to the finance department of the Company, which shall further assess and make sure the proposed transactions to be conducted in a manner that aligns with the concerned requirements under the GEM Listing Rules;
- 2) an internal checklist regarding compliance requirements under Chapter 19 of the GEM Listing Rules will be circulated to the management of the Company to remind the management of the Company in relation to the compliance obligations under the GEM Listing Rules;
- 3) further guidance and relevant trainings will be provided to the Directors and staff of the Group (including the staff members in the PRC) concerning the proper calculation of percentage ratios in relation to notifiable transactions under Chapter 19 of the GEM Listing Rules so as to consolidate and strengthen their knowledge base to increase awareness of possible notifiable transactions; and
- 4) the Group will seek advice from professional advisers before entering into any possible notifiable transactions in future.

## DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used shall have the following meanings:

|               |   |
|---------------|---|
| “Board”       | the board of Directors  |
| “Borrower”    | Fuyu Zhonghe Xinnong Market Real Estate Co. Ltd.* (扶餘中合新農市場置業有限公司), a company established in the PRC with limited liability, which is an indirect associate of the Company with 22% equity interest |
| “Company”     | China Eco-Farming Limited, an exempted company continued into Bermuda with limited liability, the shares of which are listed on GEM   |
| “Director(s)” | the director(s) of the Company  |

|                     |   |
|---------------------|---|
| “GEM”               | the GEM of the Stock Exchange   |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM  |
| “Group”             | the Company and its subsidiaries  |
| “Lender”            | Shenzhen Shengshi Fuqiang Technology Company Limited* (深圳市盛世富強科技有限公司), a company established in the PRC with limited liability, which is a non-wholly owned subsidiary of the Company   |
| “Loan”              | a loan in the principal amount of RMB5,500,000 (equivalent to approximately HK\$6,188,050) at the interest rate of 10% per annum from 15 January 2020 to 14 January 2023 provided by the Lender to Borrower pursuant to the terms of the Loan Agreement |
| “Loan Agreement”    | a loan agreement dated 15 January 2020 entered into between the Lender and Borrower in respect of the provision of the Loan   |
| “PRC”               | the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan   |
| “Stock Exchange”    | The Stock Exchange of Hong Kong Limited   |
| “HK\$”              | Hong Kong dollars, the lawful currency of Hong Kong   |
| “RMB”               | Renminbi, the lawful currency of the PRC  |
| “%”                 | per cent.   |

By Order of the Board  
**China Eco-Farming Limited**  
**Liu Chun Fai**  
*Chairman & Executive Director*

Hong Kong, 8 December 2022

\* *For identification purpose only*

*In this announcement, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of HK\$1.1251 to RMB1.*

*As at the date of this announcement, the executive Directors are Mr. Liu Chun Fai, Mr. Tin Ka Pak, Timmy, Mr. So David Tat Man and Mr. Ng Cheuk Fan, Keith; the independent non-executive Directors are Mr. Yick Ting Fai, Jeffrey, Mr. Zhang Min and Ms. Yuen Wai Man.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the Company's website at <http://www.aplushk.com/clients/8166chinaeco-farming/index.html> and the "Latest Listed Company Information" page of the HKEx website for at least 7 days from the date of its publication.*