

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



*(Continued into Bermuda with limited liability)*

**(Stock Code: 8166)**

## **VOLUNTARY ANNOUNCEMENT FORCED SALE OF MORTGAGED PROPERTY**

This announcement is made by China Eco-Farming Limited (the “**Company**”) on a voluntary basis.

### **FORCED SALE OF MORTGAGED PROPERTY**

Pursuant to a facility letter dated 7 October 2021 (the “**Facility Letter**”), Delta Wealth Finance Limited, a licensed money lender in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) (“**Delta Wealth**”) as lender and Success Royal Investment Limited (“**Success Royal**”), an indirect wholly owned subsidiary of the Company, as borrower, Delta Wealth has granted a loan in the sum of HK\$9,000,000 (the “**Loan**”) to Success Royal secured by a Mortgage dated 23 April 2018 (the “**Mortgage**”) over the property known as/situate at Workshop D1 on 8th Floor, TML Tower, No. 3 Hoi Shing Road, Tsuen Wan, New Territories (the “**Mortgaged Property**”). The Loan was guaranteed by the Company.

In light of the default of Success Royal in Mortgage repayment, Delta Wealth filed an originating summons against Success Royal on 21 February 2023 under Court of First Instance Miscellaneous Proceedings No. 275 of 2023 (the “**Originating Summons**”) to, *inter alia*, recover possession of the Property and claim for amounts due and owing under the Mortgage. The amount due and owing by Success Royal to Delta Wealth was approximately HK\$10,421,000 as at 21 February 2023.

The Court ordered, *inter alia*, on 6 July 2023 that Success Royal do repay HK\$10,530,000 together with interest at the rate of 12% per annum from 8 March 2023 to the date of the Order and thereafter at judgment rate until payment to Delta Wealth (the “**Judgment Sum**”), and that Success Royal do surrender vacant possession of the Mortgaged Property to Delta Wealth by 2 August 2023. Success Royal surrendered vacant possession of the Mortgaged Property to Delta Wealth on 14 July 2023.

On 27 July 2023, Delta Wealth informed Success Royal that Delta Wealth contemplates to dispose of the Mortgaged Property at the sale price of HK\$9,780,000 (the “**Forced Sale**”), and net proceeds therefrom will be utilised to off-set against the Judgment Sum.

## **FINANCIAL IMPACT TO THE GROUP**

The fair value of the Mortgaged Property as shown in the audited consolidated statement of financial position of the Company as at 31 December 2021 was approximately HK\$9,730,000 valued as at 31 December 2021. Subject to review and confirmation by the auditors, the Group is expected to record a gain from change in fair value of investment property of approximately HK\$50,000 from the Forced Sale, which is calculated based on the sale price from the Forced Sale less the fair value of the Mortgaged Property as at 31 December 2021 before related expenses. Upon completion of the Forced Sale and utilised the net proceeds to off-set the Judgment Sum, the net balance owed by Success Royal to Delta Wealth is estimated to be approximately HK\$907,000.

## **CONTINUED SUSPENSION OF TRADING**

Trading in the Company's shares on the Stock Exchange, which was suspended with effect from 9:00 a.m. on 3 April 2023 remains suspended and will continue to be so until further notice.

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 1 August 2023

*As at the date of this announcement, the executive Directors are Mr. Liu Chun Fai (Chairman), Mr. Tin Ka Pak, Timmy (Chief Executive Officer), Mr. Li Aiming, Mr. So David Tat Man and Mr. Ng Cheuk Fan, Keith; and the independent non-executive Directors are Mr. Yick Ting Fai, Jeffrey, and Mr. Zhang Min.*

*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.chinaeco-farming.com> and the "Latest Listed Company Information" page of the HKEx website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least 7 days from the date of its publication.*