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As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of the Listing Rules in relation to the Disposal Agreement on aggregate basis exceeds 5% but is less than 25%, the Disposal Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements.

References are made to the announcements of the Company dated 22 November 2019, 29 November 2019, 3 December 2019 and 6 December 2019 in relation to the Previous Disposal Agreements.

On 15 November 2019, Khorgos Yong Zhuo Factoring, an indirect wholly owned subsidiary of the Company, entered into the Framework Disposal Agreement with the Purchaser pursuant to which Khorgos Yong Zhuo Factoring agreed to dispose of and the Purchaser agreed to acquire accounts receivables from Khorgos Yong Zhuo Factoring in an aggregate amount of RMB1 billion (or such other amount which was raised by the Trust(s) being set up by the Purchaser).

Pursuant to the terms of the Framework Disposal Agreement, on 10 December 2019, Khorgos Yong Zhuo Factoring entered into the Disposal Agreement with the Purchaser pursuant to which Khorgos Yong Zhuo Factoring agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivable A and the Accounts Receivable B at a consideration of approximately RMB91.6 million and RMB95.8 million respectively.

The principal terms of the Disposal Agreement are set out as follows:

Date: 10 December 2019

Parties:

(1) The Purchaser, a company established in the PRC with limited liability and principally engaged in trust business. As at the date of this announcement, to the knowledge of the Directors, the identity of the ultimate beneficial owner of the Purchaser is Zhang Jun (張峻). To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

(2) Khorgos Yong Zhuo Factoring, an indirect wholly owned subsidiary of the Company, of which the principal business is, among other things, commercial factoring.

After the completion of the disposal under the Disposal Agreement, the Board expects that the Company will record a gain of approximately RMB6.8 million and RMB7.3 million for the Disposal Agreement based on the difference between the respective book values of the Accounts Receivable A and the Accounts Receivable B being disposed of and the considerations of the disposal, net of sales related taxes.

The Group intends to use the proceeds from disposal of the Accounts Receivables to finance the factoring loans granted by the Group to its customers and as general working capital.

The Group is principally engaged in the provision of enterprise financial services offering accounts receivable financing and other related solutions, mainly in the energy, construction and medical sectors in the PRC. The Directors consider that the Disposal Agreement was entered into on normal commercial terms and in the ordinary and usual course of business of the Group.

The Group entered into the Disposal Agreement with the intention of improving the cash flow of the Group, managing the Group's factoring assets portfolio and providing funds for the Group's factoring business.

Given that the Disposal Agreement was conducted in the ordinary and usual course of business of Khorgos Yong Zhuo Factoring and under normal commercial terms, the Directors are of the view that the terms of the Disposal Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

All relevant applicable percentage ratios for the Company as calculated under Rule 14.07 of the Listing Rules in relation to the Disposal Agreement on standalone basis are less than 5%; therefore, the Disposal Agreement on standalone basis does not constitute a discloseable transaction of the Company and is not subject to any disclosure requirements pursuant to Chapter 14 of the Listing Rules.

Nevertheless, the Directors consider that since the Previous Disposal Agreements and the Disposal Agreement were entered into by Khorgos Yong Zhuo Factoring with the same Purchaser within 12 months, the transactions contemplated under the Disposal Agreement shall be aggregated with the transactions under the Previous Disposal Agreements under Rule 14.22 of the Listing Rules.

As the highest applicable percentage ratio for the Company as calculated under Rule 14.07 of the Listing Rules in relation to the Disposal Agreement on aggregate basis exceeds 5% but is less than 25%, the Disposal Agreement constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the reporting and announcement requirements.

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings.

"Accounts Receivable A"	the accounts receivable to be disposed of pursuant to the Disposal Agreement
"Accounts Receivable B"	the accounts receivable to be disposed of pursuant to the Disposal Agreement
"Accounts Receivables"	collectively, the Accounts Receivable A and the Accounts Receivable B
"Board"	the board of Directors

"Disposal Notices"	the disposal notices given by Khorgos Yong Zhuo Factoring and the Purchaser to the Debtor and the Creditor on 10 December 2019
"Framework Disposal Agreement"	the framework disposal agreement between Khorgos Yong Zhuo Factoring and the Purchaser dated 15 November 2019
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies) "	the independent third party(ies) who is/are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) (as defined in the Listing Rules) of the Company
"Khorgos Yong Zhuo Factoring"	霍爾果斯永卓商業保理有限公司 (Khorgos Yong Zhuo Factoring Limited), a company established in the PRC and a subsidiary of the Group
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China, for the purpose of this announcement only, excludes Hong Kong, Macau Special Administrative Region of the People's Republic of China and Taiwan
"Previous Disposal Agreements"	the disposal agreements entered into between Khorgos Yong Zhuo Factoring and the Purchaser dated 15 November 2019, 21 November 2019, 22 November 2019, 29 November 2019, 3 December 2019 and 6 December 2019
"Purchaser"	National Trust Limited* (國民信託有限公司)
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) having a par value of HK$0.01 each in the capital of the Company
"Shareholder(s)"	the holder(s) of Shares

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Transfer Registration Agreement"	the transfer registration agreement between Khorgos Yong Zhuo Factoring and the Purchaser dated 15 November 2019
"Trust(s)"	trust(s) which were set up by the Purchaser
"Zhongdeng Net"	中國人民銀行徵信中心動產融資統一登記系統 (the People's Bank of China Credit Reference Center Movables Financing Unified Registration System*), a registration system for transfer of accounts receivables in the PRC established under the property law of the PRC
"%"	per cent

By order of the Board
Chairman

Hong Kong, 10 December 2019

As at the date of this announcement, the Board comprises two executive Directors: Mr. Tung Chi Fung and Mr. Chen Jen-Tse; and four independent non-executive Directors: Mr. Hung Ka Hai Clement, Mr. Loo Yau Soon, Mr. Twoon Wai Mun, Benjamin and Mr. Fong Heng Boo.

The English transliteration of the Chinese name(s) in this announcement, where indicated with "", is included for information purpose only, and should not be regarded as the official English name(s) of such Chinese name(s).*

If there is any inconsistency in this announcement between the Chinese and English versions, the English version shall prevail.