THE DISPOSAL AGREEMENT

The Board hereby announces that on 2 December 2021, Khorgos Yong Zhuo Factoring, an indirect wholly owned subsidiary of the Company, 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 at a consideration of approximately RMB82.4 million.

LISTING RULES IMPLICATIONS

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

INTRODUCTION

References are made to the announcement of the Company dated 11 December 2020, 14 December 2020, 15 December 2020, 16 December 2020, 15 January 2021, 21 January 2021, 26 November 2021 and 1 December 2021 in relation to the Previous Disposal Agreements.

On 23 November 2021, 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 not more than RMB600 million.

Pursuant to the terms of the Framework Disposal Agreement, on 2 December 2021, 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 at a consideration of approximately RMB82.4 million.

THE DISPOSAL AGREEMENT

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

Date:	2 December 2021
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

Consideration and payment terms

The consideration to be paid by the Purchaser to acquire the Accounts Receivable was approximately RMB82.4 million. The consideration was settled by the Purchaser by paying to the designated bank account of Khorgos Yong Zhuo Factoring for the Accounts Receivable on 2 December 2021.

Basis of determination of the consideration

The consideration was determined on arm's length negotiations between Khorgos Yong Zhuo Factoring and the Purchaser based on 1) the book value of the Accounts Receivable; 2) the number of days between the date of the disposal and the expected date of payment by the Debtor; and 3) the credit worthiness of the Debtor.

Completion of the disposal

Completion of the Disposal Agreement took place upon the date of receipt of the consideration by Khorgos Yong Zhuo Factoring, being 2 December 2021.

Pursuant to the Framework Disposal Agreement, Khorgos Yong Zhuo Factoring agreed to provide assistance to the Purchaser to register in the Zhongdeng Net the transfer of accounts receivables being disposed of by Khorgos Yong Zhuo Factoring to the Purchaser including the Accounts Receivable.

FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

After the completion of the transaction under the Disposal Agreement, the Board expects that the Company will record a gain of approximately RMB4.2 million for the Disposal Agreement based on the difference between the book value of the Accounts Receivable being disposed of and the consideration of the disposal, net of sales related taxes.

The Group intends to use the proceeds from disposal of the Accounts Receivable to finance the credit of digital financing solutions granted by the Group to its customers and as general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Group is a leading supply chain fintech and industrial IoT platform. Through its "Dual-Engine, One-Platform" strategy, the Group harnesses industrial technology and digital finance to create a comprehensive supply chain finance ecosystem. The Group leverages big data analytics to provide intelligent matching of assets to capital, offering a one-stop SaaS and fintech solution for enterprises and financial institutions, while effectively addressing the financing needs and pain points of SMEs within the supply chain ecosystem. 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 digital financing solutions 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

"Disposal Agreement"	The accounts receivable disposal agreement between Khorgos Yong Zhuo Factoring and the Purchaser dated 2 December 2021 pursuant to which Khorgos Yong Zhuo Factoring agreed to dispose of and the Purchaser agreed to acquire the Accounts Receivable
"Framework Disposal Agreement"	the framework disposal agreement between Khorgos Yong Zhuo Factoring and the Purchaser dated 23 November 2021 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 not more than RMB600 million
"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 accounts receivables disposal agreements dated 10 December 2020, 11 December 2020, 14 December 2020, 15 December 2020, 16 December 2020, 15 January 2021, 21 January 2021, 26 November 2021 and 1 December 2021 between Khorgos Yong Zhuo Factoring and the Purchaser
"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