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COGOBUY GROUP

科通芯城集團

(a company incorporated under the laws of the Cayman Islands with limited liability)

(Stock code: 400)

**DISCLOSABLE TRANSACTION:
GRANT OF LOAN FACILITIES TO BLUEBERRY CAPITAL LIMITED**

DISCLOSURE PURSUANT TO RULE 13.13 OF THE LISTING RULES

This announcement is made by the Company pursuant to Chapter 14 of the Listing Rules and Rule 13.13 of the Listing Rules.

The Board announces that on 1 November 2016, Comtech International (Hong Kong) Limited (a wholly-owned subsidiary of the Company) entered into the Loan Agreement, pursuant to which the First Lender agreed to grant a loan facility to the Borrower in the amount of up to US\$150,000,000 (equivalent to approximately HK\$1,173,573,000) which was fully repaid on 5 December 2017. The Board also announces that on 3 January 2017, Cogobuy Finance Limited (a wholly-owned subsidiary of the Company) entered into the Facility Letter, pursuant to which the Second Lender agreed to grant a loan facility to the Borrower in the amount of up to US\$150,000,000 (equivalent to approximately HK\$1,173,573,000). On 3 April 2017, the Board resolved to increase the amount of the Second Loan Facility to US\$230,000,000 (equivalent to approximately HK\$1,800,000,000) which was fully repaid on 21 August 2017.

The aggregate of the Loan Facilities granted by the Company is US\$380,000,000. The highest outstanding principal owed by the Borrower during 2017 was US\$142,845,483.87 for the First Loan Facility and US\$145,720,214.70 for the Second Loan Facility.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the First Loan Facility and Second Loan Facility, on an aggregated basis, exceeded 5% but was not more than 25%, the granting of the Loan Facilities constituted a disclosable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the amount of the advance to the Borrower, on an aggregated basis, exceeds 8% under the asset ratio as defined under Rule 14.07(1) of the Listing Rules, the provision of the Loan Facilities is also subject to the general disclosure obligations under Rule 13.13 of the Listing Rules.

This announcement is made by the Company pursuant to Chapter 14 of the Listing Rules and Rule 13.13 of the Listing Rules.

On 1 November 2016, First Lender and the Borrower entered into the Loan Agreement, pursuant to which the First Lender agreed to grant a loan facility to the Borrower in the amount of up to US\$150,000,000 (equivalent to approximately HK\$1,173,573,000) which was fully repaid on 5 December 2017.

Set out below is a summary of the major terms of the Loan Agreement.

FIRST LOAN FACILITY

Date:	1 November 2016
Parties:	The First Lender, as the lender The Borrower, as the borrower
Principal loan amount:	Up to US\$150,000,000 (equivalent to approximately HK\$1,173,573,000) fixed secured loan
Term:	1 year from each corresponding drawdown
Interest rate:	6% per annum
Repayment:	The principal and accrued interest is repayable in full on the Maturity Date

Early repayment: The Borrower may repay the principal in part or in full (together with interests accrued thereon) before the Maturity Date provided that the Borrower has given prior written notice to the First Lender

Drawdown period: The period commencing from and including the date of the Loan Agreement up to 31 December 2016

On 3 January 2017, the Second Lender and the Borrower entered into the Facility Letter, pursuant to which the Second Lender agreed to grant a loan facility to the Borrower in the amount of up to US\$150,000,000 (equivalent to approximately HK\$1,173,573,000). On 3 April 2017, the Board resolved to increase the amount of the Second Loan Facility to US\$230,000,000 (equivalent to approximately HK\$1,800,000,000) which was fully repaid on 21 August 2017.

Set out below is a summary of the major terms of the Facility Letter.

SECOND LOAN FACILITY

Date: 3 January 2017

Parties: The Second Lender, as the lender; and
The Borrower, as the borrower

Principal loan amount: Up to US\$150,000,000 (equivalent to approximately HK\$1,173,573,000) and after 3 April 2017 up to US\$230,000,000 (equivalent to approximately HK\$1,800,000,000) revolving secured loan

Term: 1 year from each corresponding drawdown

Interest rate: 8% per annum

Repayment: The principal and accrued interest is repayable in full on the Maturity Date

Early repayment: The Borrower may repay the principal in part or in full (together with interests accrued thereon) before the Maturity Date provided that the Borrower has given prior written notice to the Second Lender

Drawdown period: The period commencing from and including the date of the Facility Letter to and including the date falling 1 year from the date of the Facility Letter

The loans granted to the Borrower under the First Loan Facility and the Second Loan Facility have been repaid in full.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The terms of the Loan Agreement and Facility Letter, including the applicable interest rate, were agreed by the parties after arm's length negotiations, having taken into account the prevailing market interest rates and practices. The Directors consider that the grant of the Loan Facilities were made in the ordinary and usual course of the Company's IngFin Financing Services business and would generate profits and steady interest income to the Group and thus maximise the Group's return on its available cash reserves without compromising the Group's risks exposure.

In view of the above, the Directors are of the opinion that the grant of the Loan Facilities and the terms of the Loan Agreement and Facility Letter are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the First Loan Facility and Second Loan Facility, on an aggregated basis, exceeded 5% but was not more than 25%, the granting of the Loan Facilities constituted a disclosable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As the amount of the advance to the Borrower, on an aggregated basis, exceeds 8% under the asset ratio as defined under Rule 14.07(1) of the Listing Rules, the provision of the Loan Facilities is also subject to the general disclosure obligations under Rule 13.13 of the Listing Rules.

The Company notes that the Loan Facilities were made in the ordinary and usual course of the Company's IngFin Financing Services business and was conducted on normal commercial terms.

Given that the Company's IngFin Financing Services business represents transactions of a revenue nature in the ordinary and usual course of business of the Company, the Company failed to make timely disclosure pursuant to Rules 13.13 and 14.34 of the Listing Rules due to the misunderstanding of the Listing Rules.

The Company confirms that, to the best of the directors' knowledge, information and belief having made all reasonable enquiry, the counterparty and the ultimate beneficial owner of the counterparty are third parties independent of the listed issuer and connected persons of the listed issuer. The Directors consider that the terms of the Loan Agreement and Facility Letter were fair and reasonable and were in the interests of the Company and the shareholders as a whole.

GENERAL INFORMATION

Information of the Group

The Group is principally engaged in operating an e-commerce platform to serve the electronics manufacturing industry in China. The Group provides customers with comprehensive online and offline services across pre-sale, sale and post-sale stages through its e-commerce platform, including a direct sales platform, an online marketplace and a dedicated team of technical consultants and professional sales representatives. The Group also engages in the provision of financial services.

Information of the Borrower

The Borrower is established in the British Virgin Islands and is a private equity fund based in the PRC. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Borrower and its ultimate beneficial owner is an Independent Third Party.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board”	the board of Directors of the Company
“Borrower”	Blueberry Capital Limited (藍莓資本有限公司), a company duly incorporated and existing under the Laws of the British Virgin Islands
“Company”	Cogobuy Group, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Facility Letter”	the loan facility agreement dated 3 January 2017 and entered into between the Borrower and the Second Lender in relation to the grant of the Second Loan Facility
“First Lender”	Comtech International (Hong Kong) Limited (科通國際(香港)有限公司), a company established in the PRC, and a wholly-owned subsidiary of the Company
“Loan Agreement”	the loan facility agreement dated 1 November 2016 and entered into between the Borrower and the First Lender in relation to the grant of the First Loan Facility

“First Loan Facility”	the fixed term secured loan facility of up to US\$150,000,000 granted by the First Lender to the Borrower pursuant to the Loan Agreement
“Group”	means the Company and its subsidiaries from time to time
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Loan Facilities”	the First Loan Facility and Second Loan Facility
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the date falling 1 year after the date of each drawdown of both the First Loan Facility and the Second Loan Facility
“PRC”	the People’s Republic of China excluding Hong Kong, Macau, and Taiwan
“Second Lender”	Cogobuy Finance Limited (芯城財務有限公司), a company incorporated in Hong Kong, and a wholly-owned subsidiary of the Company
“Second Loan Facility”	the revolving secured loan facility of up to US\$150,000,000 and later increased to US\$230,000,000 on 3 April 2017 granted by the Second Lender to the Borrower pursuant to the Facility Letter

“US\$” US Dollar, the lawful currency of the United States of America

“Stock Exchange” The Stock Exchange of Hong Kong Limited

“subsidiary” has the meaning ascribed to it under the Listing Rules

By Order of the Board
COGOBUY GROUP
KANG, Jingwei, Jeffrey
*Chairman, Executive Director and
Chief Executive Officer*

Hong Kong, 22 January 2018

The figures in US\$ are converted into HK\$ at the rate of US\$1: HK\$7.82395 throughout this announcement for indicative purpose only. Such conversion should not be construed as a representation that any amount has been, could have been, or may be exchanged at this or any other rates.

As at the date of this announcement, the executive Directors of the Company are Mr. KANG Jingwei, Jeffrey, Mr. WU Lun Cheung Allen and Ms. NI Hong, Hope; the non-executive Director of the Company is Mr. KIM Jin Ha, Jason; and the independent non-executive Directors of the Company are Mr. ZHONG Xiaolin, Forrest, Mr. YE Xin and Dr. MA Qiyuan.