

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.



BEST LINKING GROUP HOLDINGS LIMITED

永聯豐集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9882)

ANNOUNCEMENT PURSUANT TO RULE 13.18 OF THE LISTING RULES AND DISCLOSEABLE TRANSACTION SUBSCRIPTION OF KEY MAN INSURANCE POLICY

This announcement is made by the Company pursuant to Rule 13.18 of the Listing Rules.

SUBSCRIPTION

On 15 January 2025, the Policyholder took out a life insurance policy with HSBC Life and placed an initial single premium, together with an initial single levy, in the sum of approximately US\$1,093,177.5 in aggregate (equivalent to approximately HK\$8,526,785) with HSBC Life. The Policy is a life insurance of Mr. YP Chan as the insured person. Best Linking is the Policyholder and the beneficiary.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription is more than 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14A of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

Pursuant to the terms of the Facility Letter, among other things, during the term of the Facility Letter, (i) Best Linking shall remain an indirect wholly-owned subsidiary of the Company; (ii) Mr. YP Chan, the controlling shareholder of the Company, shall remain as the Director and director of Best Linking; and (iii) Mr. YP Chan shall continue to be the single largest shareholder and hold not less than 50% of the beneficial interest of the Company and Best Linking. As at the date of this announcement, Mr. YP Chan's beneficial interest in each of the Company and Best Linking is 75%.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

Reference is made to the announcement dated 28 February 2023 issued by the Company with regard to the Previous Facility Letter for the Previous Facility.

The Board is pleased to announce that the existing Lender, The Hongkong and Shanghai Banking Corporation Limited, has pursuant to its periodic review agreed to revise the Previous Facility with an increased trading facility including the finance loan and combined financing for the Group's operation and a packing loan of up to an aggregate maximum amount of HK\$25,800,000 for Best Linking. Best Linking and the Company, as borrower and corporate guarantor respectively, accepted the Facility Letter with the Lender for the Facility on 15 January 2025.

The conditions set out in the Facility Letter are similar to the Previous Facility Letter, including the Lender's right to review the Facility any time and the Lender's customary overriding right to demand repayment, as well as the right to call for cash cover on demand for prospective or contingent liability. Pursuant to the terms of the Facility Letter, among other things, during the term of the Facility Letter, (i) Best Linking shall remain an indirect wholly-owned subsidiary of the Company; (ii) Mr. YP Chan, the controlling shareholder of the Company, shall remain as the Director and director of Best Linking; and (iii) Mr. YP Chan shall continue to be the single largest shareholder and hold not less than 50% of the beneficial interest of the Company and Best Linking. As at the date of this announcement, Mr. YP Chan's beneficial interest in each of the Company and Best Linking is 75%.

It is the intention of the Company that the Facility will be used to maintain the working capital of the Company and to facilitate Best Linking to settle payments to its suppliers.

SUBSCRIPTION OF KEY MAN INSURANCE POLICY

On 15 January 2025, the Policyholder took out the Policy with HSBC Life and placed an initial single premium, together with an initial single levy, in the sum of approximately US\$1,093,177.5 in aggregate (equivalent to approximately HK\$8,526,785) with HSBC Life. The Policy is a life insurance of Mr. YP Chan as the insured person. Best Linking is the Policyholder and the beneficiary.

The major terms of the Policy are as follows:

Policy effective date:	15 January 2025
Policyholder/Beneficiary:	Best Linking Limited
Insured person:	Mr. YP Chan, the controlling shareholder, executive Director and chairman of the Company
Policy term:	Whole of life
Payment of premium:	An initial single premium, together with an initial single levy of US\$12.5, amounting to US\$1,093,177.5 (equivalent to approximately HK\$8,526,785) in aggregate, was paid by the Policyholder upon taking out of the Policy in cash and loan from the Policyholder.

The amount of premium was agreed between the Policyholder and HSBC Life after arm's length negotiation with reference to, among other things, the insured person's age, sex and the sum at risk and amount of death benefit payable to the Policyholder in the event of death of Mr. YP Chan.

Death benefit:	US\$5,000,000 (equivalent to approximately HK\$39,000,000)
----------------	--

Guaranteed minimum interest rate for the premium paid under the Policy: (i) 5.25% per annum for the first year from the date of payment of the premium; and (ii) 2% per annum thereafter,

subject to the terms and conditions of the Policy.

In the event that the Policyholder surrenders the Policy during its policy term, the maximum amount receivable by the Policyholder under the Policy on a guaranteed basis (after deduction of any surrender and other applicable charges by HSBC Life) is US\$940,648 (equivalent to approximately HK\$7,337,054).

In the event that Mr. YP Chan is no longer employed or otherwise engaged with the Group, the Policyholder may apply for a change of the insured person under the Policy, and such change is subject to the acceptance by HSBC Life at their discretion, having regard to, among other things, that the Policyholder has adequate insurable interest in such replacement.

As part of the bank facilities arrangement with the Lender in the Group's ordinary course of business, the Group was required to take out a key man insurance policy in favour of the Policyholder to insure the Group against any potential loss in the unfortunate event of the loss of Mr. YP Chan, being a key person of the Group. An assignment of life insurance in respect of the Policy by way of security was also granted by the Policyholder in favour of the Lender to secure the Group's obligations under the Facility. The Board is of the view that the Policy may offer timely financial benefit and security to the Group as well as confidence to the Group's stakeholders and business partners to the Group's benefit in the unfortunate event of the loss of Mr. YP Chan. In addition, the value of death benefit receivable by the Policyholder in the event of the insured person's death under the Policy is substantially higher than the premium paid by it (having taken into account that the interest rates chargeable under the loan facilities provided by HSBC are comparable to the interest rates chargeable by the other banks). In light of the foregoing, the Directors (including all independent non-executive Directors) are of the view that the terms of the Policy and the transaction contemplated thereunder are fair and reasonable and the entering into of the Policy is in the interests of the Company and its shareholders as a whole.

INFORMATION ABOUT THE GROUP

The Group is a leading premium slewing rings manufacturer, with its manufacturing base located in the People's Republic of China. It is also a provider for a comprehensive line of mechanical parts and components as well as machineries. The mechanical parts and components which the Group manufactures and sources include sprocket, track shoes, rollers, which are commonly sought by its customers alongside the slewing rings that the Group manufactures and sources for its customers. In addition, the Group also sources minerals and heavy duty machineries such as excavators, pile drivers, wheel loaders and trucks for its customers.

INFORMATION ABOUT HSBC LIFE

HSBC Life is a wholly-owned subsidiary of HSBC Holdings plc, a company listed on the Stock Exchange (Stock Code: 0005), and is one of the Lender's group insurance underwriting subsidiaries. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, HSBC Life and its ultimate beneficial owners are independent third parties which are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder of the Group or its associates.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Subscription is more than 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 14A of the Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules.

The Company will comply with the continuing disclosure obligations under Rule 13.21 of the Listing Rules in its subsequent interim and annual reports for so long as the circumstances giving rise to such obligations regarding the control of the Company exist.

DEFINITIONS

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

“Best Linking”	Best Linking Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	Best Linking Group Holdings Limited (永聯豐集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Facility”	the facility granted under the Facility Letter
“Facility Letter”	the facility letter entered into by Best Linking (as borrower) and the Lender on 15 January 2025
“Group”	the Company and its subsidiaries
“HSBC Life”	HSBC Life (International) Limited, a company incorporated in Bermuda with limited liability
“Lender”	The Hongkong and Shanghai Banking Corporation Limited

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. YP Chan”	Mr. Chan Yuk Pan, an executive Director, controlling shareholder and chairman of the Company
“Policy”	the life insurance policy taken out by the Policyholder with HSBC Life
“Policyholder”	Best Linking
“Previous Facility”	the trading facility granted under the Previous Facility Letter
“Previous Facility Letter”	the facility letter entered into between Best Linking and the Lender on 28 February 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Policy by the Policyholder
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent

By order of the Board
Best Linking Group Holdings Limited
Chan Yuk Pan
Chairman

Hong Kong, 15 January 2025

As at the date of this announcement, the executive Directors are Mr. Chan Yuk Pan and Mr. Chan Lung Pan; and the independent non-executive Directors are Mr. Chan Wan Tsun Adrian Alan, Ms. Tsang Hau Lam and Ms. Tam Ho Ting.

This announcement will remain on the “Latest Listed Company Information” page on the website of the Stock Exchange at www.hkexnews.hk for at least 7 days from the day of its posting. This announcement will also be published on the Company’s website at www.blg.hk.