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**國美金融科技有限公司**  
**Gome Finance Technology Co., Ltd.**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 628)**

**CONTINUING CONNECTED TRANSACTION**

**REVISED FRAMEWORK AGREEMENT FOR  
PROVISION OF CONNECTED FACTORING LOANS**

On 15 April 2019, the Company and Swiree entered into the Supplemental Agreement to expand the scope of the New Factoring Service Framework Agreement so as to provide an expanded framework to regulate the provision of commercial factoring loans by the Group to the GOME Suppliers who are deemed connected persons of the Company as well as other connected persons of the Company who are connected with the GOME Group, Mr. Wong and/or Ms. Du.

Based on the proposed annual caps of the transactions contemplated under the Revised Factoring Service Framework Agreement and the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the transactions contemplated under the Revised Factoring Service Framework Agreement are subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

A circular containing, amongst other things, further information on the transactions contemplated under the Revised Factoring Service Framework Agreement, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser, notice of SGM and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 30 June 2019 as additional time is required to prepare and finalize the information to be included in the circular.

## INTRODUCTION

Reference is made to the Announcement in relation to, among other matters, the entering into of the New Factoring Service Framework Agreement to renew the framework for the provision of connected commercial factoring loans by the Group to the GOME Suppliers which are conditional upon transfer of the relevant accounts receivable of such GOME Suppliers (being trade payables of the GOME Group) to the Group.

On 15 April 2019, the Company and Swiree entered into a supplemental agreement (the “**Supplemental Agreement**”) to expand the scope of the New Factoring Service Framework Agreement so as to provide an expanded framework to regulate the provision of connected commercial factoring loans by the Group to the GOME Suppliers who are deemed connected persons of the Company as well as other connected persons of the Company who are connected with the GOME Group, Mr. Wong and/or Ms. Du.

Please refer to the Announcement for details on the Group’s internal procedures and workflows in assessing, approving and monitoring loan applications and the internal control and risk management policy of the Group.

## REVISED FACTORING SERVICE FRAMEWORK AGREEMENT

The principal terms of the New Factoring Service Framework Agreement (as amended and supplemented by the Supplemental Agreement) (the “**Revised Factoring Service Framework Agreement**”) are as follows:

- Parties:**
- (i) the Company
  - (ii) Swiree
- Term:** From the date of the SGM up to and including 31 December 2021 (both days inclusive).
- Subject:** Pursuant to the Revised Factoring Service Framework Agreement, members of the Group may grant commercial factoring loans to the GOME Suppliers and/or connected persons of the Company who are connected with the GOME Group, Mr. Wong and/or Ms. Du (collectively, the “**Connected Factoring Loan Borrowers**”) from time to time, which are conditional upon transfer of the relevant accounts receivable of such GOME Suppliers (being trade payables of the GOME Group) and/or the relevant accounts receivable of such connected persons to the Group. The Connected Factoring Loan Borrowers shall pay interest and/or other charges (if applicable) to the relevant members of the Group for the factoring services.

**Guiding principles for providing the GOME Connected Factoring Loans**

- (i) The members of the Group may from time to time and in view of their business demand enter into separate factoring agreements with the Connected Factoring Loan Borrowers (the “**Individual Factoring Agreement(s)**”), which shall comply with the terms and conditions as set out in the Revised Factoring Service Framework Agreement. Terms of an Individual Factoring Agreement shall be negotiated at arm’s length and determined by such member of the Group and the relevant Connected Factoring Loan Borrower based on normal commercial terms and with reference to the terms and conditions of comparable services offered by the Group to independent third parties with reference to the prevailing terms and conditions of other comparable factoring loans in the market within the knowledge of the Company, and shall be determined in accordance with the internal procedures of the Company (as described in the paragraph headed “Loan making processes” in the Announcement). For reference only, an interest rate of 10.8% per annum was adopted for substantially all of the connected factoring loans granted to the GOME Suppliers during the year ended 31 December 2018. The transactions contemplated thereunder shall be fair and reasonable.
  
- (ii) Details of the terms of the Individual Factoring Agreements shall be determined in accordance with the conditions and principles set out in the Revised Factoring Service Framework Agreement and in case there is any conflict between the Revised Factoring Service Framework Agreement and any Individual Factoring Agreement, conditions and principles of the Revised Factoring Service Framework Agreement shall prevail.
  
- (iii) The aggregate principal amount of any outstanding GOME Connected Factoring Loans which may be granted by the Group under the Individual Factoring Agreements entered/to be entered into pursuant to the Revised Factoring Service Framework Agreement are subject to the proposed annual caps set out under “Proposed annual caps” below.

- (iv) The Company will limit the aggregate revenue generated from the GOME Connected Factoring Loans to not more than RMB9,000,000, RMB9,000,000 and RMB9,000,000 for each of the years ending 31 December 2019 (*Note: From 1 April 2019 to 31 December 2019, both days inclusive*), 2020 and 2021, respectively (the “**Revenue Limit**”).

### **Proposed annual caps**

The aggregate principal amount of any outstanding GOME Connected Factoring Loans which may be granted by the Group during the term of the Revised Factoring Service Framework Agreement is subject to the following proposed annual caps:

<b>For the year ending 31 December 2019 (<i>Note</i>)</b>	<b>For the year ending 31 December 2020</b>	<b>For the year ending 31 December 2021</b>
RMB290,000,000	RMB230,000,000	RMB230,000,000

*Note: From 1 April 2019 to 31 December 2019, both days inclusive.*

The above proposed annual caps for the GOME Connected Factoring Loans are determined principally by reference to the following factors:

- (a) the historical transaction amounts in respect of the GOME Connected Factoring Loans for the years ended 31 December 2017 and 2018 as set out under “Historical transaction amounts” in the Announcement, and that no GOME Connected Factoring Loan (other than the one-off DZPTY Factoring Loan as disclosed in the Announcement) was granted to any Connected Factoring Loan Borrowers from 1 January 2019 up to the date of this announcement, and further that no GOME Connected Factoring Loan that would cause the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules for all GOME Connected Factoring Loans (on an aggregated basis) to exceed 5% is expected to be granted by the Group from the date of this announcement up to the date of the SGM;
- (b) the demand from the GOME Supplier on commercial factoring services (in respect of their accounts receivable from the GOME Group) as estimated by the Group based on the update information available to the Group, as well as a sufficient buffer to cater for any surge in demand for factoring loans from the GOME Suppliers (in respect of their accounts receivable from the GOME Group);
- (c) the expanded scope of the Revised Factoring Service Framework Agreement to cover factoring loans that may be granted to persons who are not GOME Suppliers but are connected persons of the Company who are connected with the GOME Group, Mr. Wong and/or Ms. Du. In particular, there are opportunities to expand the Group’s commercial factoring business by tapping into the demand for factoring loans from connected persons of the Company who are connected with the GOME Group,

Mr. Wong and/or Ms. Du who are engaged in a broad range of industries and businesses such as trading, retail and logistics;

- (d) the one-off DZPTY Factoring Loan in the total principal amount of RMB60,000,000 granted under the DZPTY Factoring Service Agreement which is repayable in full on or before 13 September 2019, details of which are set out under “DZPTY Factoring Service Agreement – One-off Transaction” in the Announcement;
- (e) the assumption that the size of the Group’s GOME Connected Factoring Loan portfolio for years ending 31 December 2019, 2020 and 2021 will be substantially the same; and
- (f) the historical revenue of the GOME Group which amounted to approximately RMB71,575 million and RMB64,356 million for the years ended 31 December 2017 and 31 December 2018 as disclosed in GOME’s annual report 2017 published on 27 April 2018 and GOME’s annual results announcement dated 29 March 2019, respectively.

#### **Additional internal control with respect to the Revenue Limit**

The Group intends to further expand its commercial factoring business with both connected and unconnected borrowers and the Revenue Limit is in place to prevent the Group from placing undue reliance on the GOME Connected Factoring Loans in business development in future.

When the Group receives an application for commercial factoring loan, the Group will carry out due diligence work on the borrower, including, without limitation, background check on the borrower as to whether such borrower is a Connected Factoring Loan Borrower.

The Group will designate an executive Director (who is not connected with the GOME Group, Mr. Wong and/or Ms. Du) to monitor the Revenue Limit imposed on the amount of GOME Connected Factoring Loans and ensure that such limit is not exceeded.

The Finance Department will prepare a schedule showing the indicative maximum amount of new GOME Connected Factoring Loans which can be made each month without exceeding the Revenue Limit based on the actual factoring loans made. The monthly schedule shall include, among other things, (i) the actual total outstanding principal amount of connected factoring loans as at the latest practicable date for the purpose of preparing the monthly schedule; (ii) the total revenue of the Group that would be recorded in the current financial year based on the actual connected factoring loan portfolio up to the latest practicable date for the purpose of preparing the monthly schedule; and (iii) the maximum amount for connected factoring loans that can be granted by the Group in the following month without exceeding the Revenue Limit.

The designated executive Director will be responsible for reviewing the above schedule and determining the quota for the making of connected factoring loans that month principally based on the actual connected factoring loans made and the indicative amounts set out in the monthly schedule described above. The Business Department and the Risk Audit Department will then be informed of the quota limits. The Business Department will not be allowed to grant any connected factoring loans over their allocated quota. If the granting of a connected factoring loan may result in the Revenue Limit being exceeded, such connected factoring loan application will be rejected.

Based on the above, the Directors consider that the internal control procedures are adequate and sufficient to ensure that the proposed Revenue Limit will not be exceeded.

### **REASONS AND BENEFITS**

The Supplemental Agreement was entered into by the Company to expand the scope of the New Factoring Service Framework Agreement so as to provide an expanded framework to regulate the provision of commercial factoring loans by the Group to the GOME Suppliers who are deemed connected persons of the Company as well as other connected persons of the Company who are connected with the GOME Group, Mr. Wong and/or Ms. Du.

The Board expects that the Group will continue to provide commercial factoring loans to the Connected Factoring Loan Borrowers going forward as the revenue generated from the GOME Connected Factoring Loans can provide an additional source of income for the Group. The Board also believes that the demand for factoring loans from connected persons of the Company who are connected with the GOME Group, Mr. Wong and/or Ms. Du represent an opportunity for the Group to expand its commercial factoring business and achieve better economies of scale.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) consider that the Revised Factoring Service Framework Agreement is entered into in the ordinary course of business of the Group and the terms of the Revised Factoring Service Framework Agreement and the proposed annual caps thereunder are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

### **LISTING RULES IMPLICATIONS**

Whilst the GOME Suppliers do not fall into the categories of connected persons of the Company as described in Rules 14A.07(1) to (5) of the Listing Rules, the Stock Exchange has deemed the provision of GOME Connected Factoring Loans to the GOME Suppliers to be continuing connected transactions of the Company under Rule 14A.20 of the Listing Rules on the ground that benefit may be conferred on the GOME Group from the granting of the commercial factoring loans by the Group to the GOME Suppliers involving the transfer of the relevant trade receivables of such GOME Suppliers (being trade payables of the GOME Group) to the Group.

In addition, as the provision of the GOME Connected Factoring Loans to the GOME Suppliers and the provision of the GOME Connected Factoring Loans to connected persons of the Company who are connected with the GOME Group, Mr. Wong and/or Ms. Du will be regulated under the same framework set out in the Revised Factoring Service Framework Agreement, these transactions constitute a single series of connected transactions which are related to each other and are required to be aggregated pursuant to Rule 14A.81 of the Listing Rules.

Based on the proposed annual caps of the transactions contemplated under the Revised Factoring Service Framework Agreement and the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the transactions contemplated under the Revised Factoring Service Framework Agreement are subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **GENERAL**

An Independent Board Committee comprising all the independent non-executive Directors (other than Mr. Li Liangwen who will retire as independent non-executive Director at the forthcoming annual general meeting of the Company) has been formed to advise the Independent Shareholders in connection with the transactions contemplated under the Revised Factoring Service Framework Agreement and the proposed annual caps thereunder. An Independent Financial Adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of transactions contemplated under the Revised Factoring Service Framework Agreement and the proposed annual caps thereunder.

A circular containing, amongst other things, further information on the transactions contemplated under the Revised Factoring Service Framework Agreement, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser, notice of SGM and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 30 June 2019 as additional time is required to prepare and finalize the information to be included in the circular.

Ms. Wei Qiuli, a non-executive Director, a senior management of GOME and has abstained from voting on the relevant Board resolutions for approving the Revised Factoring Service Framework Agreement and the transactions contemplated thereunder. Save for Ms. Wei, none of the other Directors has or is deemed to have any material interest in the Revised Factoring Service Framework Agreement or the transactions contemplated thereunder, and therefore none of them was required to abstain from voting on the relevant resolutions of the Board approving such agreement and the transactions contemplated thereunder.

## DEFINITIONS

Unless the context otherwise requires, capitalized terms used in this announcement shall have the following meanings:

“Announcement”	the announcement of the Company dated 15 March 2019
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Gome Finance Technology Co., Ltd., a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 628)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“DZPTY”	Dazhong Putaoyuan E-Commerce Co., Ltd.* (大眾葡萄園電子商務有限公司), a company established in the PRC with limited liability and wholly-owned by Ms. Zeng
“DZPTY Factoring Loan(s)”	commercial factoring loan(s) that may be granted by the Group to DZPTY pursuant to the terms and conditions of the DZPTY Factoring Agreement
“DZPTY Factoring Service Agreement”	the factoring service agreement entered into between GOME Xinda and DZPTY dated 15 March 2019 in respect of the provision of the DZPTY Factoring Loan(s) to DZPTY
“GOME”	GOME Retail Holdings Limited, a company incorporated in Bermuda with limited liability and the issued ordinary shares of which are listed on the main board of the Stock Exchange (stock code: 493)

“GOME Connected Factoring Loans”	(i) commercial factoring loans granted by the Group to the GOME Suppliers which are conditional upon transfer of the relevant trade receivables of such GOME Suppliers (being trade payables of the GOME Group) to the Group and/or (ii) commercial factoring loans granted by the Group to connected persons of the Company who are connected with the GOME Group, Mr. Wong and/or Ms. Du which are conditional upon transfer of the relevant trade receivables of such connected persons to the Group
“GOME Group”	GOME and its subsidiaries
“GOME Supplier(s)”	supplier(s) of the GOME Group who transferred or will transfer its (their) trade receivables (being trade payables of the GOME Group) to the Group for the purpose of obtaining commercial factoring loan(s) from the Group
“GOME Xinda”	GOME Xinda Commercial Factoring Co., Ltd.* (國美信達商業保理有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors (other than Mr. Li Liangwen who will retire as independent non-executive Director at the forthcoming annual general meeting of the Company) established to advise the Independent Shareholders in respect of the Revised Factoring Service Framework Agreement, the transactions contemplated thereunder and the proposed annual caps for those transactions

“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Revised Factoring Service Framework Agreement, the transactions contemplated thereunder and the proposed annual caps for those transactions
“Independent Shareholders”	all Shareholders other than the Shareholders with a material interest in the transactions contemplated under the Revised Factoring Service Framework Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong Kwong Yu (黃光裕先生), the husband of Ms. Du
“Ms. Du”	Ms. Du Juan (杜鵑女士), a controlling shareholder of the Company holding approximately 61.20% interest in the issued share capital of the Company
“Ms. Zeng”	Ms. Zeng Chanzhen (曾嬋貞女士), the mother of Mr. Wong
“New Factoring Service Framework Agreement”	the factoring service framework agreement entered into between the Company and Swiree dated 15 March 2019 in respect of the provision of factoring services by the Group to the GOME Suppliers
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Revised Factoring Service Framework Agreement, the transactions contemplated thereunder and the proposed annual caps for those transactions
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Swiree”

Swiree Capital Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Ms. Du

“%”

per cent.

By order of the Board  
**Gome Finance Technology Co., Ltd.**  
**Chen Wei**  
*Executive Director*

Hong Kong, 15 April 2019

*As at the date of this announcement, the Company’s executive Directors are Ms. Chen Wei, Mr. Ding Donghua and Mr. Chung Tat Fun; the non-executive Director is Ms. Wei Qiuli; and the independent non-executive Directors are Mr. Zhang Liqing, Mr. Li Liangwen, Mr. Hung Ka Hai Clement and Mr. Wan Jianhua.*