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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)

DISCLOSEABLE TRANSACTION

(1) INVESTMENT IN STRUCTURED DEPOSIT PRODUCT

AND

(2) ENTERING INTO A FOREIGN CURRENCY SWAP CONTRACT

INVESTMENT IN STRUCTURED DEPOSIT PRODUCT

On 20 January 2020, United Universal entered into the Investment by investing in the principal-guaranteed structured deposit product offered by the Bank in the form of one-year fixed term savings investment arrangement in the principal amount RMB154,000,000.

FOREIGN CURRENCY SWAP CONTRACT

On 17 January 2020, United Universal entered into the Swap Contract with the Bank, pursuant to which United Universal agreed to exchange with the Bank USD22,400,000 for RMB154,000,000 on 20 January 2020 and RMB154,000,000 for USD22,400,000 on 19 January 2021.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Investment and the Swap, on an aggregated basis, is more than 5% but less than 25%, the Investment and the Swap constitute discloseable transactions of the Company which are subject to the reporting and announcement requirements but exempted from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

At all relevant times up to the date of this announcement, none of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Group's investments in principal-guaranteed structured deposit products offered by the Bank (on an aggregated basis) has exceeded 25%.

INTRODUCTION

In connection with the grant of the Loan by the Bank to the Group, United Universal, a wholly owned subsidiary of the Company, (i) agreed to deposit RMB154,000,000 with the Bank and entered into the Investment in the form of principal-guaranteed structured deposit product offered by the Bank; and (ii) in order to hedge the foreign exchange risk between USD and RMB, United Universal entered into the Swap Contract with the Bank.

INVESTMENT IN STRUCTURED DEPOSIT PRODUCT

On 20 January 2020, United Universal entered into the Investment by investing in the principal-guaranteed structured deposit product offered by the Bank, the principal terms of which are summarized below.

Type of investment:	Principal guaranteed structured deposit product in the form of fixed term savings investment arrangement.
Principal amount invested:	RMB154,000,000
Transaction and settlement arrangement:	United Universal may not early redeem the product and the principal and accrued interest will only be returned to United Universal upon maturity of the fixed term.
Term of investment:	The investment has a fixed term commencing from 20 January 2020 and maturing on 19 January 2021, subject to early termination by the Bank.
Yield:	<p>The yield of the product is determined on a daily basis and comprised the fixed and floating components.</p> <p>The fixed component of the daily yield is the amount of the principal amount of the product multiplied by 1.8% divided by 365.</p> <p>The floating component of the daily yield is similarly calculated, except that the rate of return may vary and is linked to the RMB-denominated gold benchmark price published by the Shanghai Gold Exchange, which may vary from 1.6% to 1.678% per annum.</p>

The Investment was funded by the Group with its surplus cash arising in the ordinary and usual course of business of the Group.

The principal amount invested by the Group under the Investment was determined by the Group having regard to the principal amount of the Loan, the surplus cash position of the Group at the material time and nearly no financial risks involved.

FOREIGN CURRENCY SWAP CONTRACT

On 17 January 2020, United Universal entered into the Swap Contract with the Bank, pursuant to which United Universal agreed to exchange with the Bank (i) USD22,400,000 for RMB154,000,000 (i.e. United Universal shall sell USD22,400,000 to the Bank in exchange for RMB154,000,000) on 20 January 2020 and (ii) RMB154,000,000 for USD22,400,000 (i.e. United Universal shall buy USD22,400,000 from the Bank for RMB154,000,000) on 19 January 2021.

During the period between 20 January 2020 and 19 January 2021 (both days inclusive), the RMB amount shall carry interest at 3.4% per annum while the USD amount shall carry interest at 2.45% per annum. The Swap shall be settled on 19 January 2021 and any shortfall in the accrued interest of the USD amount as compared to that of the RMB amount shall be settled by United Universal with the Bank. As the equivalent amount of USD will be sold and purchased by the Group under the Swap, it was considered that the exchange risk was effectively hedged

The amount of USD and RMB in the Swap was determined with reference to the principal amount involved in the Investment. The interest rate for USD and RMB under the Swap Contract was determined with reference to market interest rate.

REASONS AND BENEFITS

The Investment and the Swap are entered into by the Group to facilitate the grant of the Loan. The Company considers the Investment to be principal-protected, short-term and low-risk which enables the Group to benefit from better interest rates than prevailing fixed-term deposit interest rates offered by the Bank. The Company also considers that the Swap Contract can protect the Group from the exchange risk of RMB against USD during the term of the Investment.

The Directors (including the independent non-executive Directors) are of the view that the Investment and the Swap have been entered into in the ordinary course of business of the Group, on normal commercial terms, are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES INVOLVED

The Group

The Group is principally engaged in the provision of financial services, including the provision of commercial factoring services, personal property pawn loan services, financial leasing services, and consulting services in the PRC and money lending services in Hong Kong.

United Universal is a company established in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

The Bank

The Bank is a commercial bank in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Bank and its ultimate beneficial owner(s) are third parties independent of the Company and the connected persons of the Company.

LISTING RULES IMPLICATIONS

The Investment and the Swap are entered into by the Group in connection with the grant of the Loan by the Bank and shall be aggregated pursuant to Rule 14.22 of the Listing Rules.

As the highest of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Investment and the Swap, on an aggregated basis, is more than 5% but less than 25%, the Investment and the Swap constitute discloseable transactions of the Company which are subject to the reporting and announcement requirements but exempted from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

At all relevant times up to the date of this announcement, none of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Group's investments in principal-guaranteed structured deposit products offered by the Bank (on an aggregated basis) has exceeded 25%.

DEFINITIONS

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

“Bank”	Industrial Bank Co., Ltd., a commercial bank incorporated in the PRC whose shares are listed on the Shanghai Stock Exchange (stock code: 601166)
“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
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investment”	investment by United Universal in the one-year fixed term principal-guaranteed structured deposit product offered by the Bank in the principal amount of RMB154,000,000 on 20 January 2020
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a one-year term loan facility in the principal amount of RMB135,000,000 offered by the Bank to the Group
“PRC”	the People’s Republic of China which, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Swap”	the exchange of USD to RMB and vice versa by United Universal with the Bank pursuant to the Swap Contract
“Swap Contract”	the derivative product transaction master agreement and the foreign currency swap transaction confirmation both dated 17 January 2020 entered into between United Universal and the Bank in relation to the Swap
“United Universal”	United Universal Limited 聯合環亞有限公司, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“USD”	United States dollar, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 21 January 2020

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