

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.

Duiba Group

兑吧集团

DUIBA GROUP LIMITED

兑吧集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1753)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ESTABLISHMENT OF A JV COMPANY**

ESTABLISHMENT OF THE JV COMPANY

On 19 June 2020, Hangzhou Keze, a wholly-owned subsidiary of the Company, and the other JV Parties entered into the MOU pursuant to which, the JV Parties agree to establish the JV Company for the primary purpose of developing the Project located in the Hangzhou Zijingang Science and Technology Town. Upon completion of the Project, the JV Company will be dissolved and the properties of the Project will be distributed to the JV Parties. The Group will use the building distributed as its new headquarters.

The Group will hold 19% of the equity in the JV Company. Pursuant to the MOU, the JV Parties shall be responsible for the overall costs of the Project of the JV Company, which are estimated to be approximately RMB1.66 billion (excluding the land acquisition costs), in proportion to their respective shareholdings in the JV Company.

Based on the percentage shareholding of Hangzhou Keze in the JV Company, the total investment of the Group in the JV Company (including the land acquisition costs) is currently expected to be about RMB332.4 million.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios as calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Group's proposed total contribution to the JV Company are expected to be more than 5% but less than 25%, the establishment of the JV Company constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement and reporting requirements.

MOU

Date

19 June 2020

Parties

- (1) Hangzhou Keze, a wholly-owned subsidiary of the Company
- (2) The other JV Parties

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, as at the date of this announcement, the JV Parties (other than Hangzhou Keze) and their respective ultimate beneficial owners are third parties independent of the Company and not connected persons of the Company.

Establishment of the JV Company

Pursuant to the MOU, the JV Parties agree to set up a joint venture in the PRC with a registered capital of RMB100 million, for the primary purpose of developing the Project. The JV Parties will make contributions to the registered capital of the JV Company in proportion to the respective shareholdings in the JV Company. According to the MOU, the shareholding of the JV Parties in the JV Company will be as follows:

Hangzhou Keze	19%
Hangzhou Zijingang Science and Technology Town Construction Investment Co., Ltd.* (杭州紫金港科技城建設投資有限公司)	9%
Zhejiang Qijiang Science and Technology Co., Ltd.* (浙江棲江科技有限公司)	7%
Hangzhou Weifengtang Cultural Innovation Co., Ltd.* (杭州微風堂文化創意有限公司)	14%
Zhejiang Nandu Real Estate Service Group Co., Ltd.* (浙江南都房地產服務集團有限公司)	17%
Zhejiang Tianneng Construction Development Limited* (浙江天能建設發展有限公司)	20%
Hangzhou Ziju Automation Equipment Co., Ltd.* (杭州子巨自動化設備有限公司)	14%

The JV Company intends to carry out the Project which will include constructing buildings and parking lots on a land parcel located in the Hangzhou Zijingang Science and Technology Town. Construction is expected to take around two years to complete following commencement of work. After completion of the Project and obtaining of the relevant property title certificates, the JV Company will be dissolved and the properties of the Project will be distributed to the JV Parties. The Group will use the building distributed as its new headquarters. See “Reasons for and Benefits of the Transactions” below for further information.

Pursuant to the MOU, the JV Parties shall be responsible for the costs of the Project, including construction and installation costs, which will be charged with reference to the relevant standards set by the National Development and Reform Commission* (國家發展和改革委員會) of the PRC and are estimated to be approximately RMB1.66 billion, in proportion to their respective shareholdings in the JV Company. The costs of the land is RMB89.7 million.

Based on the percentage shareholding of Hangzhou Keze in the JV Company, the total investment of the Group in the JV Company (including the land acquisition costs) is currently expected to be about RMB332.4 million. The Group intends to fund the investment by applying RMB22.8 million from the proceeds from the global offering of the Group with the remaining by the Group's internal resources.

INFORMATION ON OTHER JV PARTIES

The following sets out certain information of the other JV Parties according to the best knowledge, information and belief of the Directors:

Hangzhou Zijingang Science and Technology Town Construction Investment Co., Ltd.* (杭州紫金港科技城建設投資有限公司) is mainly engaged in the development and construction of, and provision of service for Hangzhou Zijingang Science and Technology Town. As at the date of this announcement, it is wholly owned by the Finance Bureau of Xihu District (西湖區財政局), Hangzhou.

Zhejiang Qijiang Science and Technology Co., Ltd.* (浙江棲江科技有限公司) is mainly engaged in the research, development and manufacturing of intelligent robots. As at the date of this announcement, it is wholly owned by the Finance Bureau of Xihu District, Hangzhou.

Hangzhou Weifengtang Cultural Innovation Co., Ltd.* (杭州微風堂文化創意有限公司) is mainly engaged in the operation of an e-commerce platform of cultural artifacts.

Zhejiang Nandu Real Estate Service Group Co., Ltd.* (浙江南都房地產服務集團有限公司) is mainly engaged in real estate agency, marketing planning and other related businesses.

Zhejiang Tianneng Construction Development Limited* (浙江天能建設發展有限公司) is a wholly-owned subsidiary of Tianneng Power International Limited, a company whose shares are listed on the Stock Exchange (stock code: 00819), and is mainly engaged in real estate development, engineering construction, property management.

Hangzhou Ziju Automation Equipment Co., Ltd.* (杭州子巨自動化設備有限公司) is mainly engaged in the sales of and provision of services for automation equipment.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group is a leading user management SaaS provider and a leading interactive advertising platform operator in the PRC. Hangzhou Keze is an indirect wholly-owned subsidiary of the Company.

As disclosed in the Prospectus, in October 2018, the Zijingang Management Committee had agreed to provide a land parcel in the Hangzhou Zijingang Science and Technology Town to the Group for the construction of a new headquarters building of the Group. The Group intends to use the building primarily as its headquarters and research and development facilities. Please refer to the sections headed “Business – Properties – Planned land acquisition” and “Future Plans and Use of Proceeds” in the Prospectus for details.

At the request of the Zijingang Management Committee, the Group has now agreed that the new headquarters building will be developed as part of the Project through a joint venture with the other JV Parties. The Group will receive the title to the new headquarters building upon completion of the Project and the dissolution of the JV Company.

The Group currently leases properties for offices for its own use. The Directors believe that the development of the new headquarters building will help the Group save rental expenses and improve the overall corporate operations and research and development capacity.

The Directors also believe that the MOU are on normal commercial terms, 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 calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Group’s total contribution to the JV Company is more than 5% but less than 25%, the establishment of the JV Company constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement and reporting requirements under the Listing Rules.

DEFINITIONS

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

“Board”	board of directors
“Company”	Duiba Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules

“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hangzhou Keze”	Hangzhou Keze Network Technology Co., Ltd.* (杭州可澤網路科技有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Hangzhou Zijingang Science and Technology Town”	the Hangzhou Zijingang Science and Technology Town* (杭州紫金港科技城), a digital economy industrial park located in Xihu District, Hangzhou, Zhejiang, the PRC
“JV Company”	Zhejiang Gushang Intelligent Technology Co., Ltd.* (浙江谷尚智能科技有限公司), a company established in the PRC with limited liability, which will act as the joint venture company pursuant to the MOU
“JV Parties”	(1) Hangzhou Keze, (2) Hangzhou Zijingang Science and Technology Town Construction Investment Co., Ltd.* (杭州紫金港科技城建設投資有限公司), (3) Zhejiang Qijiang Science and Technology Co., Ltd.* (浙江棲江科技有限公司), (4) Hangzhou Weifengtang Cultural Innovation Co., Ltd.* (杭州微風堂文化創意有限公司), (5) Zhejiang Nandu Real Estate Service Group Co., Ltd.* (浙江南都房地產服務集團有限公司), (6) Zhejiang Tianneng Construction Development Limited* (浙江天能建設發展有限公司) and (7) Hangzhou Ziju Automation Equipment Co., Ltd.* (杭州子巨自動化設備有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the memorandum of understanding dated 19 June 2020 entered into among the JV Parties in relation to the establishment of the JV Company and the Project
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excluding the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Project”	the Project to be carried out in the Hangzhou Zijingang Science and Technology Town
“Prospectus”	the prospectus of the Company dated 24 April 2019

“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Zijingang Management Committee”	the management committee of the Hangzhou Zijingang Science and Technology Town, being a PRC government body responsible for the development, construction, and management of the Hangzhou Zijingang Science and Technology Town

By Order of the Board
DUIBA GROUP LIMITED
Chen Xiaoliang
Chairman

Hangzhou, 19 June 2020

As at the date of this announcement, the Board comprises Mr. Chen Xiaoliang, Mr. Zhu Jiangbo, Ms. Chen Ting and Mr. Cheng Peng as executive Directors, Mr. Huang Tao and Mr. William Peng as non-executive Directors and Mr. Kam Wai Man, Dr. Ou-Yang Hui and Dr. Gao Fuping as independent non-executive Directors.

* *The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.*