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GoFintech Innovation Limited **國富創新有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 290)

Website: <http://www.290.com.hk>

(1) FINDINGS OF THE INTERNAL CONTROL REVIEW; AND (2) RESUMPTION OF TRADING

This announcement is made by GoFintech Innovation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 30 June 2023 in relation to, among other things, the delay in publication of the 2023 Annual Results, publication of the 2023 Unaudited Annual Results and suspension of trading (the “**Announcements**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

FINDINGS OF THE INTERNAL CONTROL REVIEW

As disclosed in the Announcements, a delay in the publication of the 2023 Annual Results was required due to receipt of the Allegations made by Jadehero Limited, a substantial shareholder of the Company within the meaning of Part XV of the SFO, on 27 June 2023. Without backgrounds and information on the Allegations, the Auditors initially indicated that an investigation into the matter may be required to gain a better understanding of the Allegations.

The Allegations in substance alleges that (i) the subscription of new shares in the Company (the “**Subscription**”) as disclosed in the announcement of the Company dated 1 September 2022 has not been approved in accordance with the procedures under the Listing Rules and the Codes on Takeovers and Mergers and that the shares issued and the subscription monies received by the Company pursuant to the Subscription were “questionable”, and that the legality and the validity of the Subscription were “highly questionable”; (ii) the subscription of new shares in the Company (the “**Second Subscription**”) as disclosed in the announcement of the Company dated 28 December 2022, the legality and the validity of which were “highly questionable” and the shares of the Company issued and the subscription monies received by the Company pursuant to the Second Subscription were also “highly questionable”; (iii) the Company had received funds in renminbi as part consideration for the Subscription outside of the People’s Republic of China (the “**PRC**”), and this act was suspicious of contravening the relevant laws of the PRC and when the Company issued the Subscription shares outside of the PRC, its bank account outside of the PRC had not yet received the relevant funds as consideration, and this was suspicious of contravening the relevant laws of Hong Kong. Concern was also raised over the source of funds of the Subscription and the Second Subscription, the payment routing of the funds, and the anti-money laundering measures in relation to the funds.

Upon receipt of the Allegations, the Auditors requested and the Company obtained legal opinions as to Hong Kong law and PRC law related to the legality and compliance of the Subscription and the Second Subscription and provided the same together with the relevant background information to the Auditors. The legal opinion as to Hong Kong law confirms that the issue of shares pursuant to the Subscription and the Second Subscription do not contravene Hong Kong law. The legal opinion as to PRC law confirms that the Subscription and the Second Subscription do not contravene PRC laws.

Following further discussions, the audit committee and the Auditors agreed that an internal control review into the anti-money laundering procedures of the Company related to the Subscription and the Second Subscription and the related payment arrangements for the financial year ended 31 March 2023 would be appropriate (the “**Internal Control Review**”) as opposed to an investigation as previously referred to in the Announcements. Therefore, the audit committee proceeded to engage an independent internal control reviewer to conduct the Internal Control Review.

On 6 July 2023, the Company engaged Moore Advisory Services Limited, an independent internal control reviewer (the “**Internal Control Reviewer**”) to conduct the Internal Control Review by reviewing relevant policies and procedures of the Company and making enquires to respective process owners and/or management personnel, identifying key controls over these processes and performing walkthrough and sample tests on identified key internal controls.

Based on the report issued by the Internal Control Reviewer on 11 July 2023, the Internal Control Reviewer is satisfied that, and the management of the Company is of the view that, the Company has implemented all necessary procedures listed on the Guideline on Anti-Money Laundering and Counter-Terrorist Financing of Terrorism (dated June 2023) issued by the Securities and Futures Commission to monitor and mitigate money laundering risks (the “**Guideline**”) and save for the recommendation to enhance the documentation of the customer due diligence procedures by documenting the conclusion of due diligence and complete the customer due diligence procedures before subscription, the Internal Control Reviewer has not identified any other risks within the scope of the Internal Control Review. The Company had performed due diligence checks on the subscribers prior to the Subscription and will adopt the Internal Control Reviewer’s recommendations to enhance the documentation of the conclusion of the due diligence.

The audit committee notes that the Company has complied with the relevant approval procedures prescribed by the Listing Rules in respect of the Subscription and the Second Subscription and there is no issue on their validity and legality as supported by the Hong Kong legal opinion. The audit committee also notes that the Company has engaged the Internal Control Reviewer to conduct the Internal Control Review and no major issue has been identified. The audit committee is of the view that the method of subscription by PRC residents is not of concern to the Company and notes that PRC laws do not forbid or restrict the Company from designating its PRC based subsidiary to, on its behalf, receive subscription monies. The audit committee also notes that the legal opinion as to PRC law confirms that the Subscription and the Second Subscription do not contravene PRC laws and that the Company has conducted due diligence on the subscribers and notes that the source of funding is legal and the subscribers have made payments via the usual banking channels and considers that the payment process complies with the relevant legal requirements. For the reasons state above, the Company and the audit committee are of the view that the Allegations have been satisfactorily addressed. Having reviewed the background information provided by the Company and the findings of the Internal Control Reviewer, the Auditors share the view of the Company that the legal opinions have satisfactorily addressed the Allegations insofar as Hong Kong law and PRC law are concerned, are satisfied with the scope and findings of the Internal Control Review and have taken the view that the Allegations do not have any material impact on the 2023 Annual Results.

The Company has published the 2023 Annual Results on 27 July 2023 and the Auditors confirm that there was no audit qualification in relation to the 2023 Annual Results.

Save as disclosed in this announcement and the 2023 Annual Results Announcement, the Company confirms that it has inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was suspended from 9:00 a.m. on 3 July 2023. Application has been made by the Company to the Stock Exchange for resumption of trading in the shares of the Company with effect from 9:00 a.m. on Friday, 28 July 2023.

Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the shares of the Company.

By order of the Board
GoFintech Innovation Limited
LIU Zhiwei
Chairman and Executive Director

Hong Kong, 27 July 2023

As at the date of this announcement, the Board consists of four executive Directors, namely Dr. LIU Zhiwei (Chairman), Mr. HUA Yang (Chief Executive Officer), Ms. SUN Qing and Mr. LIU Haoyuan; one non-executive Director, namely Mr. HAN Hanting; and three independent non-executive Directors, namely Mr. CHAN Kin Sang, Mr. CHIU Kung Chik and Mr. LI Gaofeng.