

*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.*



**國美金融科技有限公司**  
**Gome Finance Technology Co., Ltd.**  
*(Incorporated in Bermuda with limited liability)*  
**(Stock Code: 628)**

**(1) FULLY-EXEMPT CONNECTED TRANSACTION —  
ACQUISITION OF 100% INTEREST IN  
THE OPCO THROUGH CONTRACTUAL ARRANGEMENTS; AND  
(2) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO  
THE CONTRACTUAL ARRANGEMENTS**

**THE CONTRACTUAL ARRANGEMENTS**

On 28 August 2024, the WFOE (a non-wholly owned subsidiary of the Company), the OPCO and the PRC Registered Shareholders entered into the VIE Contracts, pursuant to which the WFOE will have effective control over the finance and operation of the OPCO and will enjoy the entire economic interests and benefits generated by the OPCO.

Upon entering into the Contractual Arrangements, the Company will in substance acquire 100% equity interests in the OPCO. The financial results of the OPCO Group will be consolidated into the results of the Group as if the OPCO is a subsidiary of the Company.

**LISTING RULES IMPLICATIONS**

Each of the PRC Registered Shareholders is an executive Director and thus a connected person of the Company. Therefore, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. Since the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition is more than 0.1% but less than 5% and the total consideration is less than HK\$3,000,000, the Acquisition is fully exempt from independent shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

Since the OPCO will be accounted as a subsidiary of the Company upon entering into the VIE Contracts, and each of the PRC Registered Shareholders is a connected person of the Company, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In addition, as the OPCO is owned as to 90% by Mr. Zhou, an executive Director, the OPCO is an associate of a connected person of the Company and the provision of financial assistance by the WFOE to the OPCO under the Loan Agreement will constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of (i) fixing the term of the VIE Contracts pursuant to Rule 14A.52 of the Listing Rules; and (ii) setting a maximum aggregate annual cap pursuant to Rule 14A.53 of the Listing Rules for the service fees payable by the OPCO to the WFOE under the Exclusive Business Cooperation Agreement and the principal amount of loans to be advanced to the OPCO or the interest payable by the OPCO under the Loan Agreement.

In accordance with Rule 14A.52 of the Listing Rules, the Company has also appointed the Independent Financial Adviser to explain why the Contractual Arrangements require a period exceeding three years and to confirm that such arrangement is normal business practice for agreements of this type to be of such duration.

## **INTRODUCTION**

On 28 August 2024, the WFOE (a non-wholly owned subsidiary of the Company), the OPCO and the PRC Registered Shareholders entered into the VIE Contracts pursuant to which the WFOE will have effective control over the finance and operation of the OPCO and will enjoy the entire economic interests and benefits generated by the OPCO.

Upon entering into the Contractual Arrangements, the Company will in substance acquire 100% equity interests in the OPCO. The financial results of the OPCO Group will be consolidated into the results of the Group as if the OPCO is a subsidiary of the Company.

## **THE CONTRACTUAL ARRANGEMENTS**

### **Principal terms of the VIE Contracts**

The principal terms of the VIE Contracts are summarised as follows:

#### *(i) Exclusive Business Cooperation Agreement*

Date: 28 August 2024

Parties: (i) WFOE  
(ii) OPCO  
(iii) PRC Registered Shareholders

Subject matter: The OPCO agreed to engage the WFOE as the exclusive service provider to provide the OPCO with technical support and consulting services within the business scope of the OPCO, including but not limited to, technical services, internet network support, business consultation, intellectual property licensing, provision or leasing of equipment, marketing consultation, system integration and maintenance, products research and development, and arrangement of directors and senior management (the “**Services**”).

The OPCO agreed to pay its entire net income to the WFOE as service fees for the Services on a yearly basis.

Without the prior written consent of the WFOE, the OPCO shall not engage or cooperate with any third party for the provision of services same as or similar to the Services.

Term: The Exclusive Business Cooperation Agreement shall be effective from the date of signing until terminated by the WFOE.

The WFOE has the right to terminate the Exclusive Business Cooperation Agreement at any time by giving a prior 30-day written notice to the OPCO. The OPCO may only terminate the Exclusive Business Cooperation Agreement when there is any breach caused by the gross negligence or fraud on the part of the WFOE.

*(ii) Exclusive Call Option Agreement*

Date: 28 August 2024

Parties: (i) WFOE  
(ii) OPCO  
(iii) PRC Registered Shareholders

Subject matter:	<p>The PRC Registered Shareholders irrevocably granted to the WFOE (or any person(s) designated by the WFOE), the exclusive option(s) to purchase, to the extent permitted by the PRC laws and regulations, the PRC Registered Shareholders' equity interests (entirely or partially) in the OPCO. The aggregate consideration for the exercise of the option(s) shall be an amount equivalent to the registered capital of the OPCO (i.e. RMB1,000,000) or a minimum purchase price as permitted under the PRC laws and regulations, or such other price as may be designated by the relevant PRC authority (the “<b>Agreed Price</b>”). Pursuant to the Exclusive Call Option Agreement, the PRC Registered Shareholders shall reimburse the WFOE (or any person(s) designated by the WFOE) any consideration paid by the WFOE (or any person(s) designated by the WFOE) to the PRC Registered Shareholders. The WFOE may exercise such option(s) at any time until it or the person(s) designated by it has acquired the entire equity interests in the OPCO.</p>
Undertakings by the PRC Registered Shareholders and the OPCO:	<p>The PRC Registered Shareholders and the OPCO undertook that:</p> <ul style="list-style-type: none"> <li>(a) without prior written consent of the WFOE, they shall not supplement, change or amend the articles of association of any member of the OPCO Group, increase or decrease its registered capital, or change its share capital structure;</li> <li>(b) they shall preserve the corporate existence of the OPCO and its subsidiaries in accordance with good financial and business standards and practices and prudently and effectively operate the OPCO Group's business, and shall procure the OPCO to perform its obligations under the Exclusive Business Cooperation Agreement and the Exclusive Call Option Agreement;</li> <li>(c) without the prior written consent of the WFOE, they shall not sell, transfer, mortgage or dispose of any legal or beneficial interest in the assets, business or revenue of the OPCO Group, or create or agree to create any other security interest thereon;</li> <li>(d) without the prior written consent of the WFOE, they shall not incur, inherit, guarantee or assume any debt, except for debts incurred in the ordinary course of business (excluding borrowings) of the OPCO Group;</li> </ul>

- (e) they shall operate the OPCO Group's business in the ordinary course of business at all times in order to preserve the asset value of the OPCO Group and that they shall refrain from any action/omission that may adversely affect the OPCO Group's operating conditions and asset value;
- (f) without the prior written consent of the WFOE, the OPCO shall not enter into any material contracts (i.e. for an amount exceeding RMB1,000,000), except for contracts executed in the ordinary course of business;
- (g) without the prior written consent of the WFOE, they shall not provide any loan or financing or guarantee to any third party;
- (h) they shall provide the WFOE with information on the OPCO Group's business operation and financial condition at the WFOE's request;
- (i) they shall purchase and maintain insurance for the OPCO Group's assets and business from an insurance company acceptable to the WFOE, and the insured amount and the type of coverage of such insurance shall be in line with companies that operate similar businesses, if requested by the WFOE;
- (j) without the prior written consent of the WFOE, the OPCO shall not merge or consolidate with any person, or acquire or invest in any person, or dispose of its assets for an amount exceeding RMB1,000,000 in a single transaction or series of related transactions;
- (k) they shall notify the WFOE immediately if there is any litigation, arbitration or administrative proceedings relating to the OPCO Group's assets, business or revenue which will or may occur;
- (l) they shall execute all necessary or appropriate documents, take all necessary or appropriate actions and file all necessary or appropriate charges or raise necessary and appropriate defences against all claims in order to maintain the OPCO Group's ownership over all of its assets;

- (m) they shall ensure that the OPCO will not, without the prior written consent of the WFOE, distribute dividends to the PRC Registered Shareholders in any manner; however, if requested by the WFOE, the OPCO shall immediately distribute part or all of its distributable profits to the PRC Registered Shareholders;
- (n) they shall appoint or remove any person(s) designated by the WFOE as the director of any member of the OPCO Group at the WFOE's request; and
- (o) if the WFOE is prevented from exercising its call option under the Exclusive Call Option Agreement due to the non-fulfilment by OPCO or the PRC Registered Shareholders of their tax obligations under applicable laws, the WFOE has the right to request the OPCO or the PRC Registered Shareholders to fulfill their tax obligations, or to request them to pay such tax to the WFOE who will then pay on their behalves.

Undertakings by the  
PRC Registered  
Shareholders:

The PRC Registered Shareholders further undertook that:

- (a) without the prior written consent of the WFOE, they shall not sell, transfer, mortgage, or dispose of its legal or beneficial interests in the OPCO, or allow the creation of any other security interests thereon, except for the rights created under the VIE Contracts;
- (b) without the prior written consent of the WFOE, they shall not request the OPCO to distribute dividends or other forms of profit distribution in respect of the equity interests owned by them, or initiate shareholders' resolutions in this regard, or vote in favor of such shareholders' resolutions. If they receive any income, profit distribution or dividends from the OPCO, they shall promptly transfer the same to the WFOE or any person designated by the WFOE in a manner permitted by the PRC laws;
- (c) they shall ensure that the shareholders' meeting and/or the board of directors of the OPCO shall not approve the sale, transfer, mortgage, or disposal of any legal or beneficial interest in the OPCO held by the PRC Registered Shareholders, or the creation of any security interests thereon, except for the rights created under the VIE Contracts, without the prior written consent of the WFOE;

- (d) they shall ensure that the shareholders' meeting and/or the board of directors of the OPCO shall not approve the merger or formation of any joint venture with any person, or the acquisition of or investment in any person without the prior written consent of the WFOE;
- (e) they shall notify the WFOE immediately if there is any litigation, arbitration or administrative proceedings relating to the equity interests in the OPCO owned by them which will or may occur;
- (f) they shall ensure that the shareholders' meeting or the board of directors of the OPCO shall vote to approve the transfer of equity interests in the OPCO in accordance with the Exclusive Call Option Agreement and take any other actions as may be requested by the WFOE;
- (g) they shall sign all necessary or appropriate documents, take all necessary or appropriate actions, bring all necessary or appropriate actions, and make all necessary or appropriate defences against any claims, in order to maintain full ownership of the equity interest,
- (h) they shall agree to appoint any person(s) designated by the WFOE as the director or senior management of any member of the OPCO Group at the WFOE's request;
- (i) they shall immediately and unconditionally transfer their equity interests in the OPCO to the WFOE's designated party in accordance with the call option under the Exclusive Call Option Agreement, and they shall waive their right of refusal (if any); and
- (j) they shall strictly comply with the provisions of the Exclusive Call Option Agreement and any other agreements signed by the PRC Registered Shareholders, the OPCO and the WFOE, fulfill the obligations under these agreements, and refrain from any acts or omissions that would affect the validity and enforceability of these agreements. If the PRC Registered Shareholders retain any rights with respect to the equity interests in the OPCO under the VIE Contracts, the PRC Registered Shareholders shall not exercise such rights unless otherwise instructed by the WFOE in writing.



Term: The Exclusive Call Option Agreement shall be effective from the date of signing until the entire equity interests held by the PRC Registered Shareholders in the OPCO have been transferred to the WFOE (or the person as designated by the WFOE) in accordance with the provisions of the Exclusive Call Option Agreement.

The WFOE may at its own discretion terminate the Exclusive Call Option Agreement any time by giving prior written notice to the PRC Registered Shareholders. Unless otherwise provided under the PRC laws and regulations, neither the OPCO nor the PRC Registered Shareholders shall have the right to terminate the Exclusive Call Option Agreement.

*(iii) Equity Pledge Agreement*

Date: 28 August 2024

Parties: (i) WFOE  
(ii) OPCO  
(iii) PRC Registered Shareholders

Subject matter: The PRC Registered Shareholders pledged all of their equity interests in the OPCO in favour of the WFOE (including any equity interests subsequently acquired) to secure performance of the PRC Registered Shareholders' and the OPCO's obligations under the VIE Contracts.

Each of the PRC Registered Shareholders undertakes to the WFOE, among other things, not to transfer his interests in the OPCO and not to create any encumbrance thereon without the WFOE's prior written consent.

In the event that any of the PRC Registered Shareholders or the OPCO fails to perform its obligations under the VIE Contracts, the WFOE will have the right to dispose of its right of pledge under the Equity Pledge Agreement.

Term: The Equity Pledge Agreement shall become effective on the date when the pledge of the equity interests in the OPCO is registered with the relevant local administration for industry and commerce in the PRC and shall remain valid until the PRC Registered Shareholders and the OPCO discharge all of their obligations under the VIE Contracts, and to the extent permitted by the applicable PRC laws and regulations, when the WFOE acquires all the equity interests from the PRC Registered Shareholders pursuant to the Exclusive Call Option Agreement.



*(iv) Power of Attorney*

Date: 28 August 2024

Parties: Mr. Zhou and Mr. Song

Subject matter: Each of the PRC Registered Shareholders irrevocably authorised the WFOE, among other things, to exercise all of his rights and powers as shareholder of the OPCO, including but not limited to:

- (a) convening and holding general meetings of OPCO, receiving notices of general meetings and signing any meeting minutes or shareholders' resolution;
- (b) exercising all shareholders' rights and voting rights in accordance with applicable laws and the articles of association of the OPCO;
- (c) nominating, electing, appointing and removing the legal representative, directors, supervisors, general manager, and other senior management personnel of the OPCO; and
- (d) signing, submitting and filing documents with the relevant government authorities.

The above powers must be exercised by officers or directors of the WFOE who are not the PRC Registered Shareholders.

Each of the PRC Registered Shareholders irrevocably undertook, among other things, that he will not, directly or indirectly, participate or engage in any business which is or may be in competition with the business of the OPCO Group, or acquire or hold any such business, or carry on any activities which may lead to any conflict of interest between himself and the Group.

Term: Each of the Power of Attorney shall be valid from the date of execution until termination by the WFOE.

*(v) Spousal Confirmations*

Date: 28 August 2024

Parties: The spouses of the PRC Registered Shareholders

Subject matter: Each of the spouses of the PRC Registered Shareholders unconditionally and irrevocably confirmed, among others, that (i) all the equity interests held by the relevant PRC Registered Shareholder in the OPCO belongs to such PRC Registered Shareholder and the spouse shall have no claim; (ii) any pledge, sale or disposal of such equity interests pursuant to the relevant VIE Contracts does not require the consent of the spouse; (iii) any amendment of any of the VIE Contracts does not require the signing, confirmation and consent of the spouse; and (iv) if she acquires any equity interest in the OPCO for any reason, they shall be bound by the VIE Contracts (if and as applicable).

*(vi) The Loan Agreement*

Date: 28 August 2024

Parties: (i) WFOE  
(ii) OPCO

Subject matter: The WFOE agreed to advance loan(s) to the OPCO from time to time upon request to support the OPCO Group's business operations.

The interest rate of the loan(s) advanced to the OPCO Group will be determined in accordance with the prevailing market conditions. The loan request should be submitted by the OPCO together with the business plan of the OPCO and shall be subject to review and approval by the Board.

**Compliance of the VIE Contracts with PRC laws and rules**

The PRC Legal Adviser is of the opinion of that:

- (i) the transaction documents in the VIE Contracts do not violate the mandatory provisions of the laws and administrative regulations of the PRC and are not contrary to public order and morals and would not be deemed as "civil juristic act based on a false expression of intent" or "civil juristic act conducted through malicious collusion which harms the lawful rights and interests of another person" and void under the Civil Code of the PRC; and
- (ii) the VIE Contracts to be entered into by the WFOE, the OPCO and the PRC Registered Shareholders are legally binding on and enforceable against each party in accordance with their terms and provisions under the PRC laws and regulations except certain terms of the VIE Contracts as set out in the paragraph headed "Risk factors in relation to the VIE Contracts — Certain terms of the VIE Contracts may not be enforceable under PRC laws" below.

## **Disputes resolutions, succession and liquidation under the VIE Contracts**

### *Dispute Resolutions*

Pursuant to the VIE Contracts, any dispute arising from the interpretation and implementation of the VIE Contracts between the parties should first be resolved through negotiation, failing which any party may submit the said dispute to the China International Economic and Trade Arbitration Commission (the “IETAC”) with a view to resolving the dispute through arbitration in accordance with the arbitration rules of the IETAC. The arbitration shall take place in Beijing. The results of the arbitration shall be final and binding on all relevant parties. The VIE Contracts contain provisions to the effect that the arbitrators may award remedies over the shares and/or land assets of the OPCO Group, injunctive reliefs (such as for the conduct of business or to compel a transfer of assets) and/or order the winding up of any of the companies in the OPCO Group. In addition, the VIE Contracts contain provisions to the effect that courts in the PRC, Hong Kong, and Bermuda are empowered to grant interim remedies in supporting of the arbitration pending the formation of an arbitral tribunal.

### *Succession*

Appropriate arrangements have been made to protect the Company’s interest in the event of death, bankruptcy or divorce of the PRC Registered Shareholders. The provisions set out in the VIE Contracts are also binding on the successors of the PRC Registered Shareholders, as if the successor was a signing party to the VIE Contracts. Although the VIE Contracts do not specify the identity of successors to such PRC Registered Shareholders, under the succession law of the PRC, the statutory successors include the spouse, children, parents, brothers, sisters, paternal grandparents and maternal grandparents and any breach by the successors would be deemed to be a breach of the VIE Contracts by the PRC Registered Shareholders. In case of a breach, the WFOE can enforce its rights against the successors.

### *Liquidation*

Pursuant to the Power of Attorney, in the event of a mandatory liquidation of the OPCO, the PRC Registered Shareholders shall transfer the proceeds received from the liquidation to the WFOE or its designated persons for a consideration equivalent to the minimum purchase price as permitted by the PRC laws and regulations. Each of the PRC Registered Shareholders has also undertaken that if he receives any proceeds or consideration from the WFOE or its designated persons as a result of the liquidation of the OPCO or the transfer of equity interest in the OPCO, he shall return such proceeds or consideration to the WFOE or its designated persons.

### *Conflict of interests*

The Company confirms that appropriate arrangements have been made to address the potential conflict of interests between the PRC Registered Shareholders and the Group. In particular, the Power of Attorney provide that the PRC Registered Shareholders will neither, directly or indirectly, participate or engage in any business which is or may be in competition with the business of the OPCO Group or its associated company, or acquire or hold any such business, nor carry on any activities which may lead to any conflict of interest between the PRC Registered Shareholders and the WFOE.

## INTERNAL CONTROL MEASURES TO BE IMPLEMENTED BY THE GROUP

The VIE Contracts contained certain provisions in order to exercise effective control over and to safeguard the assets of the OPCO.

In addition to the internal control measures as provided in the VIE Contracts, it is the intention of the Company, through the WFOE to adopt additional internal control measures against the OPCO as appropriate, having regard to the internal control measures to be adopted by the Group from time to time, which may include but not limited to:

### Management controls

- (i) the Group will form a management team (the “**Management Team**”) comprising the general manager of each member in the OPCO Group and the Management Team shall be fully responsible for the operation of the OPCO Group under the supervision of the executive Directors;
- (ii) the Management Team shall be actively involved in various aspects of the daily managerial, operational and financial activities of the OPCO Group and shall report to the executive Directors on a weekly basis;
- (iii) the Management Team shall report any major events of the OPCO to the company secretary of the Company (the “**Company Secretary**”), who must in turn report to the executive Directors and if necessary, the Board;
- (iv) the Company Secretary shall conduct regular site visits to the OPCO and conduct personnel interviews quarterly, and shall submit reports to the executive Directors and submit further reports on material matters to the Board; and
- (v) all seals, chops, corporate documents and all other legal documents of the OPCO must be kept at the office of the WFOE, to the extent permitted by the PRC law.

### Financial controls

- (i) the financial controller of the Company (the “**FC**”) shall collect monthly management accounts, bank statements and cash balances and major operational data of the OPCO for review. Upon discovery of any suspicious matters, the FC must report to the Company Secretary, who shall in turn report to the executive Directors and further report any material matters to the Board;
- (ii) if the payment of the services fees by the OPCO to WFOE under the VIE Contracts is delayed, the FC must meet with the Management Team to investigate and should report to the executive Directors and further report any suspicious matters to the Board. In extreme cases, members of the Management Team will be removed and replaced;
- (iii) the OPCO must submit copies of latest bank statements for every bank account of the OPCO to the FC within 15 days after the end of each month; and
- (iv) the OPCO must assist and facilitate the Company to conduct quarterly on-site internal audit on the OPCO Group.

## **Legal review**

- (i) the Management Team will consult the Company's PRC legal adviser from time to time to check if there are any legal developments in the PRC affecting the arrangement contemplated under the VIE Contracts, and should immediately report to the executive Directors to determine if Board meeting should be convened and held to consider if any modification or amendment are required to be made;
- (ii) as part of the internal control measures, major issues arising from implementation and performance of the VIE Contracts will be reviewed by the legal department of the Group on a regular basis which will be no less frequent than on a quarterly basis. The legal department of the Group will determine, as part of its periodic review process, whether legal advisors and/or other professionals will need to be retained to assist the Group to deal with specific issues arising from the VIE Contracts;
- (iii) the legal department of the Group will organise inter-departmental meetings to discuss matters relating to compliance and regulatory enquiries from governmental authorities, if any, and report any material matters to the Board;
- (iv) the relevant business units and operation divisions of the Group will report regularly, which will be no less frequent than on a monthly basis, to the senior management of the Company on the compliance and performance conditions under the VIE Contracts and other related matters; and
- (v) the Company shall comply with the conditions prescribed under the waiver granted by the Stock Exchange in connection with the continuing connected transactions contemplated under the VIE Contracts.

## **The Board's view on the VIE Contracts**

Based on the above, the Board is of the view that the VIE Contracts are narrowly tailored to achieve the Group's business purpose and to minimize the potential conflicts with and are enforceable under the relevant PRC laws and regulations. The VIE Contracts enable the WFOE to gain control over the OPCO, and to be entitled to the economic interests and benefits of the OPCO. Pursuant to the relevant provisions of the VIE Contracts, the WFOE has the right to unwind the VIE Contracts as soon as the relevant PRC laws and regulations allow the WFOE to register itself as the shareholder of the OPCO. The Directors further believe that save as disclosed, the VIE Contracts are enforceable under the relevant PRC laws and regulations, and that the VIE Contracts will provide a mechanism that enables the WFOE to exercise effective control over the OPCO.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors, after making all reasonable enquiries, the Directors are not aware of any factors that has led or would lead to any interference or encumbrance from any PRC governing bodies on the Group's operation of the OPCO Group's businesses under the Contractual Arrangements.

## **RISK FACTORS IN RELATION TO THE VIE CONTRACTS**

**There is no assurance that the VIE Contracts could comply with future changes in the regulatory requirements in the PRC and the PRC government may determine that the VIE Contracts do not comply with applicable regulations**

Despite there is currently no indication that the VIE Contracts will be interfered or objected to by any PRC regulatory authorities, the PRC Legal Adviser has advised that there is a possibility that the relevant PRC regulatory authorities may have different opinions on the interpretation of the relevant regulations and would not agree that the VIE Contracts comply with the current PRC laws, regulations or rules or those that may be adopted in future, and the authorities may deny the validity, effectiveness and enforceability of the VIE Contracts.

**The VIE Contracts may not be as effective as direct ownership in providing control over the OPCO**

The Group will rely on the Contractual Arrangements to operate the business of the OPCO Group. The Contractual Arrangements may not be as effective in providing the WFOE with control over the OPCO as direct ownership. If the WFOE has direct ownership of the OPCO, it will be able to exercise its rights as a shareholder to effect changes in the board of directors of the OPCO, which in turn could effect changes, subject to any applicable fiduciary obligations, at the management level. However, under the VIE Contracts, the Group will only rely on the WFOE's contractual rights and the performance by the PRC Registered Shareholders of their obligations under the VIE Contracts to exercise control over the OPCO. Therefore, the VIE Contracts may not be as effective in ensuring the WFOE's control over the OPCO as direct ownership would be. In addition, if the PRC Registered Shareholders or the OPCO fail to perform their respective obligations under the VIE Contracts or otherwise have disputes with the WFOE, the WFOE may have to initiate arbitration or other legal proceedings and rely on legal remedies under PRC laws which may be limited and involve significant uncertainty. There can be no assurance that the outcome will be in the WFOE's favour, and it may adversely affect the WFOE's ability to control the OPCO.

**The PRC Registered Shareholders may potentially have a conflict of interests with the Group**

The Group's control over the OPCO is based on the contractual arrangement under the VIE Contracts. Therefore, conflict of interests of the PRC Registered Shareholders will adversely affect the interests of the Company. Pursuant to the Powers of Attorney, the PRC Registered Shareholders will irrevocably authorise the WFOE (or its director or successor or receiver) as their representative to exercise the voting rights of the shareholders of the OPCO. Therefore, it is unlikely that there will be potential conflict of interests between the Company and the PRC Registered Shareholders. However, in the unlikely event that conflict of interests arises and cannot be resolved, the Company will consider removing and replacing the PRC Registered Shareholders.



**The contractual arrangements may be subject to scrutiny of the PRC tax authorities and transfer pricing adjustments and additional tax may be imposed**

The Group could face material adverse tax consequences if the PRC tax authorities determine that the arrangements under the VIE Contracts were not entered into based on arm's length negotiations. If the PRC tax authorities determine that these agreements were not entered into on an arm's length basis, they may adjust income and expenses of the WFOE for PRC tax purposes in the form of a transfer pricing adjustment. A transfer pricing adjustment could adversely affect the Group's financial position by increasing the relevant tax liability of the WFOE without reducing the tax liabilities of the OPCO, and this could further result in late payment fees and other penalties to the OPCO for under-paid taxes. As a result, any transfer pricing adjustment could have a material adverse effect on the Group's financial position and results of operations.

**Certain terms of the VIE Contracts may not be enforceable under PRC laws**

The VIE Contracts provide for dispute resolution by way of arbitration in accordance with the arbitration rules of the IETAC. The VIE Contracts contain provisions to the effect that the arbitrators may award remedies over the shares and/or assets of the OPCO Group, injunctive reliefs (such as injunctive relief for the conduct of business or to compel the transfer of assets) and/or winding up of any of the companies in the OPCO Group. In addition, the VIE Contracts contain provisions to the effect that courts in the PRC, Hong Kong, and Bermuda are empowered to grant interim remedies in support of the arbitration pending the formation of an arbitral tribunal.

However, the PRC Legal Adviser has advised that the abovementioned provisions contained in the VIE Contracts may not be enforceable. Under PRC laws, an arbitral body does not have the power to grant any injunctive relief or provisional or final liquidation order to preserve the assets of or any equity interest in the OPCO Group nor does the arbitral body has the power to wind-up any companies in the OPCO Group under the PRC Laws in case of disputes. Therefore, such remedies may not be available, notwithstanding the relevant contractual provisions contained in the VIE Contracts. Furthermore, notwithstanding the relevant contractual provisions contained in the VIE Contracts, courts in the PRC, Hong Kong and Bermuda are empowered to grant interim remedies only to the extent as permitted under the PRC laws. Therefore, such interim remedies may not be available under the PRC laws.

As a result, in the event that the OPCO or the PRC Registered Shareholders breach the terms of the VIE Contracts, the WFOE may not be able to obtain sufficient remedies in a timely manner, and its ability to exert effective control over the OPCO could be materially and adversely affected.



**A substantial amount of costs and time may be involved in transferring the ownership of the OPCO to the Group under the Exclusive Call Option Agreement**

The Exclusive Call Option Agreement grants the WFOE or its designated person a right to acquire part or all of the equity interest or part or all of the assets of the OPCO Group at the Agreed Price. Nevertheless, such rights can only be exercised by the WFOE as and when permitted by the relevant PRC laws and regulations, in particular, when there are no limitations on foreign ownership in PRC companies that engage in the OPCO Group's business. In addition, a substantial amount of costs and time may be involved in transferring the ownership or assets of the OPCO Group to the WFOE if it chooses to exercise the exclusive right to acquire all or part of the equity interest and assets in the OPCO Group under the Exclusive Call Option Agreement, which may have a material adverse impact on the Group's business, prospects and results of operation.

**The Company does not have any insurance which covers the risks relating to the VIE Contracts and the transactions contemplated thereunder**

The insurance of the Group does not cover the risks relating to the VIE Contracts and the transactions contemplated thereunder. After discussing with the PRC Legal Adviser and considering the relevant risks arise from the VIE Contracts and the costs of purchasing and maintaining the relevant insurance, the Company has no intention to purchase any new insurance in this regard, and is of the view that such arrangement is in the interest of the Company and its Shareholders as a whole. If any risk arises from the VIE Contracts in the future, such as those affecting the enforceability of the VIE Contracts and the relevant agreements for the transactions contemplated thereunder and the operation of VIE Contracts, the results of the Group may be adversely affected. However, the Group will monitor the relevant legal and operational environment from time to time to comply with the applicable laws and regulations.

**The Group may bear economic risk which may arise from difficulties in the operation of the OPCO Group**

None of the VIE Contracts provides that the Group is obligated to share the losses of the OPCO Group. Further, each member of the OPCO Group is a limited liability company and shall be solely liable for its own debts and losses with assets and properties owned by it. Under the PRC laws and regulations, the WFOE, as the primary beneficiary of the OPCO, is not expressly required to share the losses of the OPCO Group. Despite the foregoing, given that the Group will conduct business in the PRC through the OPCO Group through the Contractual Arrangements, the WFOE will advance loans to the OPCO to support the operations of the OPCO Group under the Loan Agreement, and that the OPCO Group's financial results will be consolidated into the Group's financial results under the applicable accounting principles, the Group's business, financial conditions and results of operations would be adversely affected if the OPCO Group suffers losses. However, due to the relevant restrictive provisions in the Exclusive Call Option Agreement as more particularly set out above, the potential adverse effect on the Group in the event of any loss suffered by the OPCO Group is limited.

## **Uncertainties exist with respect to the interpretation and implementation of the newly enacted Foreign Investment Law and its impact on the viability of the Contractual Arrangements**

On 15 March 2019, the National People's Congress of the PRC approved the foreign investment law (the “**Foreign Investment Law**”), which came into effect on 1 January 2020. On 26 December 2019, the State Council of the PRC (the “**State Council**”) adopted the Implementation Regulations for Foreign Investment Law of the PRC (中華人民共和國外商投資法實施條例), which came into effect on 1 January 2020 (the “**Implementation Regulations**”).

The Foreign Investment Law and the Implementation Regulations embody the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. However, since it is relatively new, uncertainties still exist in relation to its interpretation and implementation. Despite there being no indication currently that the Contractual Arrangements will be interfered with or objected to by any PRC regulatory authorities, there is a possibility that the relevant PRC regulatory authorities may have different opinions regarding the interpretation of the relevant regulations and would not agree that the VIE Contracts comply with the current PRC Laws or those that may be adopted in future, and the PRC regulatory authorities may deny the validity, effectiveness and enforceability of the VIE Contracts.

Such contractual arrangement has been adopted by a number of fully or partially foreign-owned companies which, through their respective subsidiaries in the PRC, assume control over an operating company incorporated in the PRC holding the necessary licenses and permits in the industries that are currently subject to foreign investment restrictions or prohibitions in the PRC. It will be uncertain whether the Contractual Arrangements will be deemed to be in violation of the market access requirements for foreign investment under PRC Laws, including but not limited to the Foreign Investment Law and the Implementation Regulations.

Furthermore, if future laws, administrative regulations or provisions prescribed by the State Council require further actions to be taken by companies with respect to existing contractual arrangements, there will be substantial uncertainties as to whether such actions can be completed by the Group and the OPCO in a timely manner. Failure to take timely and appropriate measures to cope with any of these aforementioned or similar regulatory compliance requirements could materially and adversely affect the current corporate structure and business operations of the Group and the OPCO, as well as the ability of the Group and the OPCO to be or continue to be engaged in businesses subject to the foreign investment restrictions or prohibitions.

## **Measures adopted by the Company to mitigate against any potential risk arising from the Foreign Investment Law and the Implementation Regulations**

The Foreign Investment Law was approved by the National People's Congress of the PRC on 15 March 2019 and came into effect on 1 January 2020 and the Implementation Regulations was adopted by the State Council and came into effect on 1 January 2020. As aforementioned, there are uncertainties with respect to the interpretation and implementation of the Foreign Investment Law and the Implementation Regulations, and the Board will closely monitor the development of the Foreign Investment Law and the Implementation Regulations with the help of the PRC Legal Adviser, including but not limited to any new negative list issued by the State Council, or any future laws, administrative regulations or provisions prescribed by relevant PRC government authorities.

The Company will continue to monitor and discuss with its PRC Legal Adviser in order to assess any possible impact arising from the development of the Foreign Investment Law and the Implementation Regulations on the Contractual Arrangements and the business operation of the Group.

## **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

As the financial regulatory policy environment in the PRC becomes increasingly strict and competition in the internet financial business market intensifies, the Group's business will face greater challenges in the future. At the same time, global chip technology iterations have brought about improvements in computing power, and the vigorous development in the fields of artificial intelligence, blockchain, etc. has driven the internet economy into the WEB 3.0 era.

In order to enhance the Group's risk resistance ability and to achieve the emerging strategic layout of "social + business", the Group needs to diversify and transform its existing businesses. Through the Acquisition, the Group will possess multiple three-dimensional internet social platforms to create a business ecosystem with multi-dimensional interconnection between users and merchants. Also, with the rich technologies, brand reputation and supply chain in the field of internet finance accumulated by the Group and its controlling shareholders, it is anticipated that rapid transformation into a comprehensive social internet platform business can be achieved.

The Board believes that the layout of new business line through the Acquisition will bring about a new growth curve to the Group and create greater returns for the Shareholders.

The OPCO Group is carrying out (i) B21 online data processing and transaction processing business (e-commerce only) and B25 information service business, which are value-added telecommunications services, under the ICP license (中華人民共和國電信與信息服務業務經營許可證); and (ii) online performance business through information network under the ICB license (網絡文化經營許可證). As advised by the PRC Legal Adviser, according to the Special Management Measures for the Market Entry of Foreign Investment (Negative List) (2021 Version) (《外商投資准入特別管理措施(負面清單)》(2021年版)) and the Special Management Measures for the Market Entry of Foreign Investment in Hainan Free Trade Port (Negative List) (2020 Version) (《海南自由貿易港外商投資准入特別管理措施(負面清單)》(2020年版)), which have been promulgated and amended from time to time jointly by the Ministry of Commerce of PRC and the National Development and Reform Commission, the

B25 internet information service business and the online performance businesses carried out by the OPCO Group fall under the “restricted” or “prohibited” categories, respectively, so the Company as a foreign investor is restricted and prohibited from holding equity interests in the OPCO. The PRC Legal Adviser had also made verbal enquiries with the Ministry of Culture and Tourism of the PRC, the Ministry of Industry and Information Technology of the PRC and the Hainan Provincial Communications Administration Bureau, and was informed that (i) the online performance business carried out under the ICB license (網絡文化經營許可證) is prohibited from foreign investment; and (ii) the B25 internet information services business carried out under the ICP license (中華人民共和國電信與信息服務業務經營許可證) is restricted business and the investment ratio of foreign investors shall not exceed 50%.

The business strategic planning of the OPCO Group is to integrate resources to build a comprehensive and all-round service platform and create a new model of “social network + business ecosystem” under Web3.0, which is in line with the overall strategic transformation direction of the Group. For this purpose, it is necessary for certain principal operating subsidiaries in the OPCO Group to possess both the ICP license (中華人民共和國電信與信息服務業務經營許可證) and the ICB license (網絡文化經營許可證) to carry out their businesses, which are inseparable. Therefore, to comply with the applicable PRC laws and regulations, the WFOE, the OPCO and the PRC Registered Shareholders entered into the VIE Contracts to enable the financial results, the entire economic benefits and the risks of the businesses of the OPCO Group to flow to the WFOE and to enable the WFOE to gain control over the OPCO Group.

The Company will unwind the VIE Contracts as soon as the relevant PRC laws and regulations allow the WFOE to register itself as the shareholder of the OPCO and the business of the OPCO Group is no longer a restricted business for foreign investors pursuant to the applicable PRC laws and regulations.

In light of the above, the Group believes that the Acquisition and the Contractual Arrangements will provide a good opportunity for it to diversify and transform its existing businesses, and the entering into of the VIE Contracts will permit the WFOE to have effective control over the finance and operation of the OPCO and to enjoy the entire economic interests and benefits generated by the OPCO.

The Board considers that the terms of the VIE Contracts and the transactions contemplated thereunder were determined after arm’s length negotiations between the parties thereto and the Directors (including the independent non-executive Directors) are of the view that (i) the VIE Contracts are fundamental to the OPCO Group’s legal structure and business operations; and (ii) the terms of the VIE Contracts and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Mr. Zhou and Mr. Song are considered to have material interests in the Contractual Arrangements and have abstained from voting on the Board resolutions approving the VIE Contracts and the transactions contemplated thereunder. Save as disclosed above, none of the Directors has or is deemed to have material interests in the Contractual Arrangements. Accordingly, none of the other Directors was required to abstain from voting on the relevant Board resolutions.

## INFORMATION ON THE GROUP AND PARTIES TO THE CONTRACTUAL ARRANGEMENTS

### The Group

The Group is principally engaged in (i) the provision of financial services, including the provision of commercial factoring, financial leasing and other financial services in the PRC; and (ii) game development and publishing business.

The WFOE is a company incorporated in the PRC with limited liability and is principally engaged in corporate consultation and management business. As at the date of this announcement, the WFOE is held as to 100% by Fortune Border Limited, which is in turn held as to 51% by Fortune Thought Limited (“**Fortune Thought**”), 25% by Runyang Co., Limited (“**Runyang**”) and 24% by Muyuan Co., Limited (“**Muyuan**”). Fortune Thought is a company incorporated in Hong Kong with limited liability principally engaged in investment holding. As at the date of this announcement, Fortune Thought is held as to 51% by the Company and 49% by Shine Group Limited, a company incorporated in the British Virgin Islands with limited liability principally engaged in investment holding, which is wholly owned by Mr. Wong Kwong Yu, the controlling shareholder of the Company. Runyang is a company incorporated in the British Virgin Islands with limited liability principally engaged in trading business. As at the date of this announcement, Runyang is wholly owned by Ms. Huang Qiongchan, a PRC resident. Muyuan is a company incorporated in the British Virgin Island with limited liability principally engaged in trading business. As at the date of this announcement, Muyuan is wholly owned by Ms. Huang Jiyun, a PRC resident.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of Runyang, Muyuan and their respective ultimate beneficial owner are independent of the Company and its connected persons.

### THE OPCO GROUP

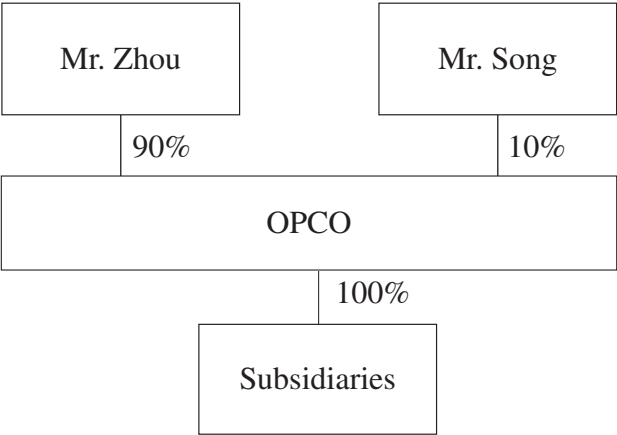
The OPCO is a company incorporated in the PRC with limited liability and is an investment holding company. As at the date of this announcement, the OPCO is owned as to 90% by Mr. Zhou and 10% by Mr. Song, who are PRC residents and executive Directors.

The OPCO Group is or will be principally engaged in social networking, AI and blockchain services, digital asset auction, e-commerce, information and short video publishing, information technology services, and research and development of technology businesses in the PRC. The subsidiaries of the OPCO held various licenses for the operation of the OPCO Group’s businesses, including business licenses, EDI license (在線數據處理與交易業務經營許可證), ICP license (中華人民共和國電信與信息服務業務經營許可證) and ICB license (網絡文化經營許可證).

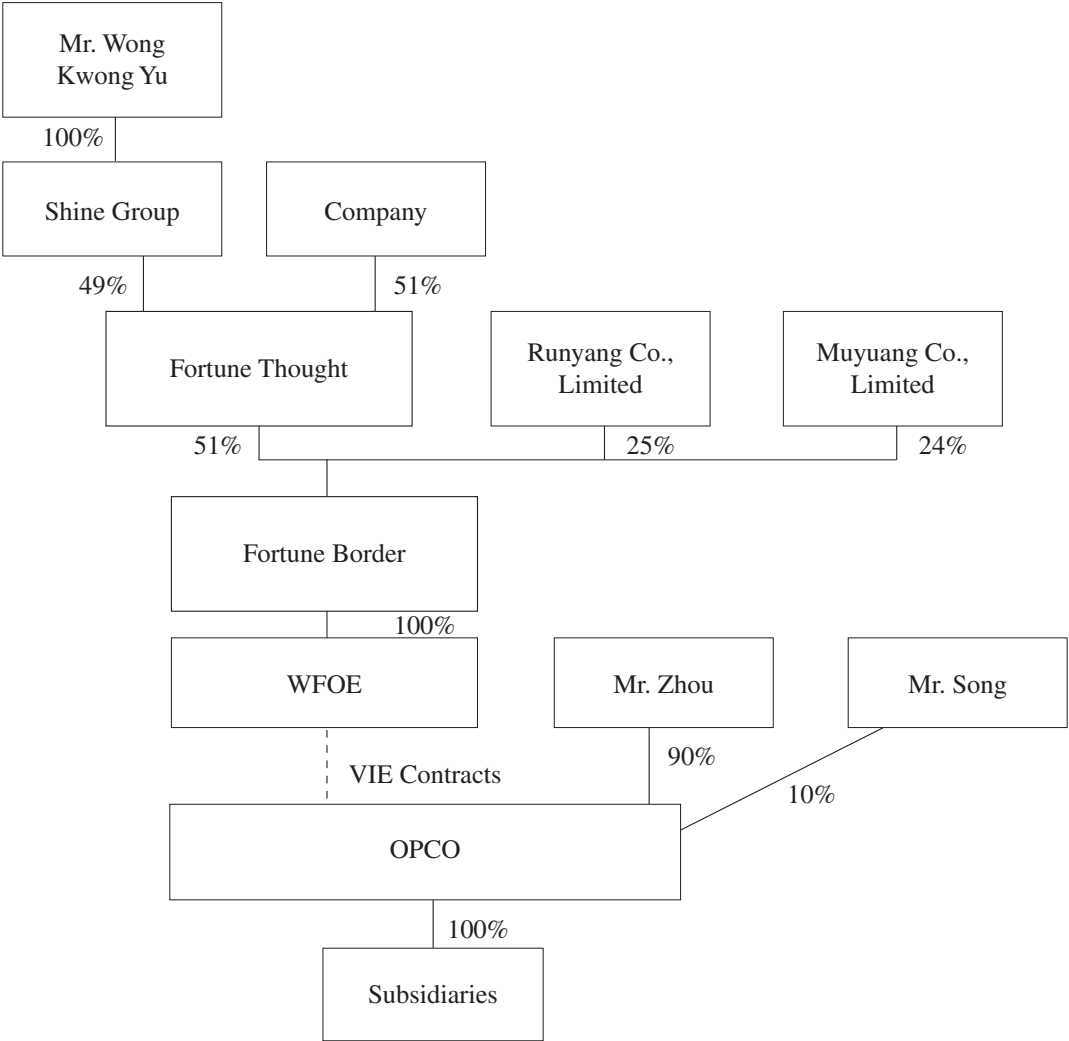
### Shareholding Structure

Mr. Zhou and Mr. Song acquired 90% and 10% equity interests in the OPCO, respectively, on 28 August 2024 for a consideration of RMB1,000,000, financed with an interest-free loan of RMB1,000,000 provided by the Company through the WFOE, which constituted a fully exempt connected transaction of the Company under Chapter 14A of the Listing Rules.

Set out below is the simplified shareholding structure of the OPCO Group immediately prior to entering into the Contractual Arrangements:



Set out below is the proposed shareholding structure of the OPCO Group upon entering into the Contractual Arrangements:





Pursuant to the VIE Contracts, the WFOE will have effective control over the OPCO so as to obtain the economic interests and benefits from its business activities despite the lack of registered equity ownership. The Directors have discussed with the reporting accountants and confirmed that under the prevailing accounting principles, the financial results of the OPCO Group will be consolidated to the results of the Group upon entering into the VIE Contracts.

## Financial information

The unaudited financial results of the OPCO Group (prepared under the PRC Generally Accepted Accounting Principles) for the two years ended 31 December 2023 are as follows:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2022</b>	<b>2023</b>
	(Unaudited)	(Unaudited)
	<i>RMB'000</i>	<i>RMB'000</i>
Net (loss) before tax	(18,697)	(22,261)
Net (loss) after tax	(18,697)	(22,261)

The unaudited net liabilities of the OPCO Group as at 30 June 2024 amounted to approximately RMB52.9 million.

## LISTING RULES IMPLICATIONS

Each of the PRC Registered Shareholders is an executive Director and thus a connected person of the Company. Therefore, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. There will be no consideration payable to the PRC Registered Shareholders for the Acquisition. The OPCO will be acquired by the Group through entering into the VIE Contracts. Under the VIE Contracts, the Company, through the WFOE, will advance an interest-free loan of RMB1,000,000 to the PRC Registered Shareholders for paying up the registered capital of the OPCO. If the call option is subsequently exercised by the WFOE under the Exclusive Call Option Agreement, the exercise price will be set off against the loan due by the PRC Registered Shareholders to the WFOE. Since the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Acquisition is more than 0.1% but less than 5% and the total consideration is less than HK\$3,000,000, the Acquisition is fully exempt from independent shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

Since the OPCO will be accounted as a subsidiary of the Company upon entering into the VIE Contracts, and each of the PRC Registered Shareholders is a connected person of the Company, the transactions contemplated under the Contractual Arrangements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In addition, as the OPCO is owned as to 90% by Mr. Zhou, an executive Director, the OPCO is an associate of a connected person of the Company and the provision of financial assistance by the WFOE to the OPCO under the Loan Agreement will constitute continuing connected transaction of the Company under Chapter 14A of the Listing Rules.



## Waiver

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of (i) fixing the term of the VIE Contracts pursuant to Rule 14A.52 of the Listing Rules; and (ii) setting a maximum aggregate annual cap pursuant to Rule 14A.53 of the Listing Rules for the services fees payable by the OPCO to the WFOE under the Exclusive Business Cooperation Agreement and the principal amount of loans to be advanced to the OPCO or the interest payable by the OPCO under the Loan Agreement, subject to the following conditions:

- (a) *No material change without Independent Non-executive Directors' Approval:* No material change to the terms of any of the VIE Contracts will be made without the approval of the independent non-executive Directors.
- (b) *No material change without Independent Shareholders' Approval:* Save for Renewal and Reproduction (as defined below), no material change to the terms of any of the VIE Contracts will be made without the approval of the Independent Shareholders. Once Independent Shareholders' approval of any change has been obtained, no further announcement or approval of the independent Shareholders, will be required under Chapter 14A of the Listing Rules unless and until further material changes are proposed. The periodic reporting requirement regarding the VIE Contracts in the annual reports of the Company (as set out in paragraph (d) below) will however continue to be applicable.
- (c) *Economic benefits flexibility:* The VIE Contracts shall continue to enable the Group to receive the economic benefits derived by the OPCO Group through: (i) the Group's potential right (if and when so allowed under the applicable PRC laws) to acquire the entire equity interests in the OPCO; (ii) the business structure under which the net profits generated by the OPCO Group (after deducting the necessary costs, expenses, taxes and other statutory contribution in relation to the respective fiscal year) is substantially retained by the WFOE (such that no annual caps shall be set on the amount of the services fees payable to the WFOE under the Exclusive Business Cooperation Agreement); and (iii) WFOE's right to control the management and operation of, as well as, in substance, all of the voting rights of the OPCO.

- (d) *Renewal and reproduction (“Renewal and Reproduction”)*: On the basis that the Contractual Arrangements provide an acceptable framework for the relationship between the WFOE and the OPCO Group that framework may be renewed and/or reproduced without obtaining the approval of the shareholders of the Company: (a) upon the expiry of the Contractual Arrangements, (b) in connection with any changes to the registered shareholders or directors of the OPCO, or (c) in relation to any existing, newly established or acquired wholly-foreign-owned enterprises or operating company (including branch company), engaging in a business similar or relating to those of the OPCO Group. Such renewal and/or reproduction is justified by business expediency. The directors, chief executive or substantial shareholders of any existing or new wholly-owned foreign-owned enterprise or operating company (including branch company) engaging in the same business as that of the OPCO Group which the OPCO Group may establish will, upon renewal and/or reproduction of the contractual arrangements, be treated as connected persons of the Group and transactions between these connected persons and the OPCO Group other than those under similar contractual arrangements shall comply with Chapter 14A of the Listing Rules. This condition is subject to relevant PRC laws, regulations and approvals. Any renewed or reproduced framework will be on substantially the same terms and conditions as the Contractual Arrangements.
- (e) *Ongoing reporting and approvals*: the Group will disclose details relating to the VIE Contracts on an ongoing basis as follows:
- (i) The VIE Contracts in place during each financial period will be disclosed in the Company’s annual report in accordance with the relevant requirements of the Listing Rules.
  - (ii) The independent non-executive Directors will review the VIE Contracts annually and confirm in the Company’s annual report and accounts for the relevant year that:
    - (i) the transactions carried out during such year have been entered into in accordance with the relevant provisions of the VIE Contracts, have been operated so that the revenue generated by the OPCO Group has been substantially retained by the WFOE; and
    - (ii) no dividends or other distributions have been made by the OPCO to the holders of its equity interests which are not otherwise subsequently assigned or transferred to the Group.
  - (iii) The Company’s auditors will carry out procedures annually on the transactions carried out pursuant to the VIE Contracts and will provide a letter to the Directors confirming that the transactions carried out pursuant to the VIE Contracts have received the approval of the Directors, have been entered into in accordance with the relevant VIE Contracts and that no dividends or other distributions have been made by the OPCO to the holders of its equity interests which are not otherwise subsequently assigned/transferred to the Group.

- (iv) For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of “connected person”, the OPCO and its subsidiaries will be treated as the Company’s subsidiaries, and the directors, chief executives or substantial shareholders (as defined in the Listing Rules) of the OPCO and its subsidiaries and their respective associates will be treated as the Company’s connected persons. As such, transactions between these connected persons and the Group (including for this purpose the OPCO Group) other than those under the VIE Contracts shall comply with Chapter 14A of the Listing Rules.
- (v) The OPCO also undertakes that it will provide the Group’s management and the Company’s auditors with full access to its relevant records for the purpose of procedures to be carried out by the Company’s auditors’ on the continuing connected transactions.

### **OPINION FROM THE INDEPENDENT FINANCIAL ADVISER**

Given the term of the Contractual Arrangements exceeds three years, the Company has engaged the Independent Financial Adviser pursuant to Rule 14A.52 of the Listing Rules to explain why the tenure of this type of agreements needs to exceed three years, and confirm that it is normal business practice for agreements of this type to be of such duration.

The Independent Financial Adviser has reviewed the relevant information provided by the Group and has also discussed with the management of the Group and the PRC Legal Adviser. The Independent Financial Adviser has considered the following in formulating its opinion:

- (i) the Contractual Arrangements will enable the WFOE to control and enjoy substantially all economic benefits of the business of internet information service and online performance through the OPCO Group, given that foreign investors are prohibited from holding equity interest in an entity engaging in internet information service and online performance businesses;
- (ii) the WFOE will be in a position to exercise effective control over the relevant prohibited business and to safeguard the assets of the OPCO Group through the Contractual Arrangements and internal control measures as set out in the section headed “INTERNAL CONTROL MEASURES TO BE IMPLEMENTED BY THE GROUP” in this announcement, the Independent Financial Adviser considers that although there will be a lack of equity ownership in the OPCO Group, the Contractual Arrangements allow the Group to be entitled to the economic benefits generated by the OPCO Group through the WFOE;
- (iii) the Contractual Arrangements are subject to the waiver conditions as set out under the section headed “Waiver” in this announcement;
- (iv) the Contractual Arrangements are fundamental and vital to the stability of the business operations and the revenue stream from the OPCO Group to the Group; and would therefore be beneficial to the Group to be of a long-term basis; and

- (v) in assessing whether it is a normal business practice for the Contractual Arrangements of similar nature to have a term of such duration, the Independent Financial Adviser has, on a best effort basis, conducted a research on variable-interest-entity structures adopted by listed companies which (a) are listed on the Stock Exchange and their contractual arrangements constitute a variable-interest-entity structures similar to those of the VIE Contracts which enable the relevant listed company to obtain control over a PRC company operating businesses in which foreign investment is restricted by relevant PRC laws and regulations; (b) disclosed in the respective announcements and/or prospectuses during the period of two (2) years preceding the date of the VIE Contracts (i.e. from June 2022); and (c) the variable-interest entity structure were established and the relevant operation entities of which are conducting in similar nature of business as comparing to the OPCO Group, namely engaging in the provision of internet information service and online performance in the PRC. Based on the above selection criteria, the Independent Financial Adviser has identified six (6) comparable transactions (the “**Comparable Transactions**”), which are sufficient and representative according to the above selection criteria. The Independent Financial Adviser considers that the Comparable Transactions to be an appropriate reference for reflecting the prevailing general market practices of contractual arrangements similar to those of the VIE Contracts.

Based on the Independent Financial Adviser’s review, the respective term of the Comparable Transactions all exceeded three (3) years and ranged from ten (10) years to an indefinite term (i.e. no fixed term). As such, the Independent Financial Adviser confirms that it is justifiable and is a normal business practice for contracts of similar nature to the VIE Contracts to be of a term of more than three (3) years.

## DEFINITIONS

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

“Acquisition”	the acquisition of the entire equity interests in the OPCO by the Company through the Contractual Arrangements
“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

“Contractual Arrangements”	the entering into of the VIE Contracts by the WFOE, the OPCO and the PRC Registered Shareholders in order for the Group to obtain effective control over the finance and operation of the OPCO and enjoy the entire economic interests and benefits generated by the OPCO, the details of which are described in the section headed “The Contractual Arrangements” in this announcement
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Equity Pledge Agreement”	the equity pledge agreement entered into between the WFOE, the OPCO and the PRC Registered Shareholders on 28 August 2024, the details of which are set out in the section headed “The Contractual Arrangements — Principal terms of the VIE Contracts” in this announcement
“Exclusive Business Cooperation Agreement”	the exclusive business cooperation agreement entered into between the WFOE, the OPCO and the PRC Registered Shareholders on 28 August 2024, the details of which are set out in the section headed “The Contractual Arrangements — Principal terms of the VIE Contracts” in this announcement
“Exclusive Call Option Agreement”	the exclusive call option agreement entered into between the WFOE, the OPCO and the PRC Registered Shareholders on 28 August 2024, the details of which are set out in the section headed “The Contractual Arrangements — Principal terms of the VIE Contracts” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Financial Adviser”	China Sunrise Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), which has been appointed as the independent financial adviser of the Company to advise on why the Contractual Arrangements require a period exceeding three years and to confirm that such arrangement is normal business practice for agreements of this type to be of such duration, in accordance with Rule 14A.52 of the Listing Rules

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 28 August 2024 entered into between the WFOE and the OPCO in respect of provision of loan(s) to the OPCO, the details of which are set out in the section headed “The Contractual Arrangements — Principal terms of the VIE Contracts” in this announcement
“Mr. Song”	Mr. Song Chenxi, an executive Director
“Mr. Zhou”	Mr. Zhou Yafei, an executive Director
“OPCO”	北京立衡企業管理有限公司 (Beijing Liheng Enterprise Management Co., Ltd.*), a company incorporated in the PRC with limited liability, which is owned as to 90% by Mr. Zhou and 10% by Mr. Song
“OPCO Group”	OPCO and its subsidiaries to be controlled by the WFOE through the VIE Contracts
“Power of Attorney”	the power of attorney executed by the PRC Registered Shareholders on 28 August 2024, the details of which are set out in the section headed “The Contractual Arrangements — Principal terms of the VIE Contracts” in this announcement
“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
“PRC Legal Adviser”	Jingtian & Gongcheng, the legal adviser to the Company as to the laws of the PRC
“PRC Registered Shareholders”	the registered holders of the entire equity interests in the OPCO, namely Mr. Zhou and Mr. Song
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Spousal Confirmations”	the spousal confirmations executed by the spouses of the PRC Registered Shareholders on 28 August 2024, the details of which are set out in the section headed “The Contractual Arrangements — Principal terms of the VIE Contracts” in this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“VIE Contracts”	collectively, the Exclusive Business Cooperation Agreement, the Power of Attorney, the Spousal Confirmations, the Exclusive Call Option Agreement, the Equity Pledge Agreement and the Loan Agreement
“WFOE”	賦勤（寧波）科技有限公司 (Fuqin (Ningbo) Technology Co., Ltd.*), a company incorporated in the PRC with limited liability, which is a non-wholly owned subsidiary of the Company
“%”	per cent.

By Order of the Board  
**Gome Finance Technology Co., Ltd.**  
**Zhou Yafei**  
*Executive Director*

Hong Kong, 28 August 2024

*As at the date of this announcement, the executive Directors are Mr. Zhou Yafei and Mr. Song Chenxi; the non-executive Directors are Ms. Wei Ting and Ms. Wu Qian; and the independent non-executive Directors are Mr. Mak Yau Kee Adrian, Professor Japhet Sebastian Law and Mr. Huang Song.*

\* For identification purpose only