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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  
INVESTMENTS IN STRUCTURED DEPOSIT PRODUCTS  
AND  
SUPPLEMENTAL ANNOUNCEMENT  
IN RELATION TO THE ANNUAL REPORT 2018**

**INVESTMENTS IN STRUCTURED DEPOSIT PRODUCTS**

During the year ended 31 December 2018 and the six months ended 30 June 2019, the Group invested in certain principal-guaranteed structured deposit products offered by Industrial Bank Co., Ltd. in the form of open-ended savings investment arrangement (i.e. the Open-Ended Arrangement) and fixed term savings investment arrangement (i.e. the Fixed Term Arrangement). As at 31 December 2018 and 30 June 2019, the balance of the Investments amounted to approximately RMB131,719,000 and RMB68,000,000, respectively.

**LISTING RULES IMPLICATIONS**

For the Investments in the form of the Open-Ended Arrangement, there were in total six instances (on standalone basis) during the year ended 31 December 2018 and the six months ended 30 June 2019 where the highest of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules exceeded 5% but was less than 25%.

For the Single Transaction under the Fixed Term Arrangement (on standalone basis), each of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules was less than 5%.

As the highest of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules in respect of the Investments (on an aggregated basis) exceeded 5% but was less than 25%, the Investments (on an aggregated basis) constituted discloseable transactions of the Company which were subject to the reporting and announcement requirements but were 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 Investments (on an aggregated basis) has exceeded 25%.

## BACKGROUND

Reference is made to the Company's annual report for the year ended 31 December 2018 which was published on 23 April 2019. The Company would like to provide further information in respect of its financial assets at fair value through profit or loss, which consisted of the Investments in the Products as at 31 December 2018.

## THE INVESTMENTS

Gome Xinda and Gome Financial Leasing, which are wholly-owned subsidiaries of the Company, have been investing in the Products offered by the Bank from time to time for the purpose of better utilizing the surplus cash of the Group arising in the ordinary and usual course of business of the Group. Such investments have been accounted for as "financial assets at fair value through profit or loss" in the Company's consolidated financial statements.

The principal terms of the Products are summarized below:

Type of investment: Principal guaranteed structured deposit products in the form of open-ended savings investment arrangement (the "**Open-Ended Arrangement**") and fixed term savings investment arrangement (the "**Fixed Term Arrangement**").

During the year ended 31 December 2018 and the six months ended 30 June 2019, all investments in the Products made by Gome Xinda and Gome Financial Leasing were under the Open-Ended Arrangement, save for one investment by Gome Financial Leasing involving a principal amount of RMB63,000,000 which was made under the Fixed Term Arrangement (the "**Single Transaction**").

Transaction and settlement arrangement: Under the Open-Ended Arrangement, Gome Xinda and Gome Financial Leasing may purchase or redeem the Product on any bank business day by giving e-banking instructions to the Bank and such transaction will be settled on the same day of instruction if made on a bank business day. As the Group may purchase or redeem the Product on any bank business day, the Group will consider its surplus cash level from time to time and determine whether it is appropriate to reinvest in the Product on a rolling basis.

Under the Fixed Term Arrangement, Gome Xinda and Gome Financial Leasing may purchase the Product on any bank business day by giving e-banking instructions and such transaction will be settled on the same day of instruction if made on a bank business day. However, Gome Xinda and Gome Financial Leasing may not early redeem the Product and the principal and accrued interest will only be returned to Gome Xinda or Gome Financial Leasing (as the case may be) upon maturity of the fixed term.

Term of investment: Under the Open-Ended Arrangement, there is no fixed term of investment.

For the Single Transaction under the Fixed Term Arrangement, the investment has a fixed term of 365 days which will mature on 19 September 2019.

Yield: The yield of the Product is determined on a daily basis and comprised the fixed and floating components.

The fixed component of the daily yield is the amount of the principal amount of the Product multiplied by a fixed rate of return (as determined and published by the Bank on monthly or quarterly intervals) divided by 360.

The floating component of the daily yield is similarly calculated, except that the rate of return may vary and is linked to either (x) the rate of return of AAA credit rating interbank medium to short term notes or (y) the RMB-denominated gold benchmark price published by the Shanghai Gold Exchange.

During the year ended 31 December 2018 and the six months ended 30 June 2019, the overall rate of return to the Group under the Open-Ended Arrangement was approximately 2.9% per annum.

The Single Transaction under the Fixed Term Arrangement has a rate of return of approximately 3.99% per annum.

The table below summarizes the outstanding balance of the Investments up to 30 June 2019.

*(in RMB million)*

	Outstanding balance of principal amount invested as at		Highest outstanding balance of principal amount invested during	
	31 December 2018	30 June 2019	the year ended 31 December 2018	the six months ended 30 June 2019
Open-Ended Arrangement	68	5	294	258
Fixed Term Arrangement	63	63	63	63
Total	<u>131</u>	<u>68</u>	<u>357</u>	<u>321</u>

The Investments were funded by the Group with its surplus cash arising in the ordinary and usual course of business of the Group from time to time.

The principal amount invested by the Group in the Products was determined by the Group having regard to the surplus cash position of the Group from time to time and after taking into account the highly liquid nature of the Investments and nearly no financial risks involved.

## REASONS AND BENEFITS

The Company considers the Products to be principal-protected, short-term and low-risk investment products offered by the Bank which enables the Group to benefit from better interest rates than prevailing fixed-term deposit interest rates offered by banks or licensed financial institutions in the PRC. The Directors believe that the Investments would enable Gome Xinda and Gome Financial Leasing to more efficiently utilise their surplus cash resources from time to time.

The Directors (including the independent non-executive Directors) are of the view that the Investments 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.

Gome Xinda is a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in the commercial factoring business in the PRC.

Gome Financial Leasing is a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company. It is principally engaged in the financial leasing business in the PRC.

### **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**

As the Investments are accounted for as "financial assets at fair value through profit or loss" in the Company's consolidated financial statements, they are regarded as "transactions" of the Company under Rule 14.04(1)(a) of the Listing Rules.

For the Investments in the form of the Open-Ended Arrangement, there were in total six instances (on standalone basis) during the year ended 31 December 2018 and the six months ended 30 June 2019 where the highest of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules exceeded 5% but was less than 25%.

For the Single Transaction under the Fixed Term Arrangement (on standalone basis), each of the applicable percentage ratios pursuant to Rule 14.07 of the Listing Rules was less than 5%.

The Investments are similar in nature and therefore shall be aggregated and treated as if they were one transaction with the Bank for the purpose of 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 Investments (on an aggregated basis) exceeded 5% but was less than 25%, the Investments (on an aggregated basis) constituted discloseable transactions of the Company which were subject to the reporting and announcement requirements but were 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 Investments (on an aggregated basis) has exceeded 25%.

**REMEDIAL MEASURES**

The Company deeply regrets its non-compliance with Rule 14.34 of the Listing Rules but the Company would like to stress that the non-compliance was inadvertent and arose from the Company’s misunderstanding of the Listing Rules that the Investments were of a revenue nature and were conducted in the ordinary and usual course of business of the Group pursuant to Rule 14.04(1)(g) of the Listing Rules.

To prevent recurrence of the non-compliance, the Company has implemented the following remedial measures:

- (a) The Company has reviewed and amended the Group’s treasury policies and internal procedures such that any future transactions in structured deposit or investment products will be treated as a transaction subject to the requirements of Chapter 14 of the Listing Rules. Prior to any further transactions in such products, the Finance Department of the Group will be required to prepare and calculate the percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the proposed transaction(s) (on standalone and aggregated bases) and the results shall be reviewed and confirmed by a designated executive director of the Company. The designated executive director will be empowered to consult with external advisers, such as legal advisers, in relation to the Listing Rules implications arising from such transactions at the Company’s costs. In cases of doubt and where appropriate, the Company will also seek for the Exchange’s guidance prior to entering into the transactions. Based on the results of the size tests calculations and with reference to the advice or guidance sought, the Company will comply with the applicable disclosure requirements under Chapter 14 of the Listing Rules.
- (b) The Company will arrange for training for its directors and senior management in respect of the requirements of Chapter 14 of the Listing Rules and the latest regulatory requirements that are applicable to the Company from time to time.
- (c) The Company will work more closely with its external professional advisers, such as financial or legal advisers, on matters relating to compliance with the Listing Rules and other applicable laws and regulations from time to time.

**DEFINITIONS**

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

- “associate(s)” has the meaning ascribed to it under the Listing Rules
- “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
“Gome Financial Leasing”	Tianjin Gome Financial Leasing Co., Ltd.* (天津國美融資租賃有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Gome Xinda”	Gome Xinda Commercial Factoring Co., Ltd.* (國美信達商業保理有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Investments”	investments by the Group in the Products
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Products”	principal-guaranteed structured deposit products offered by the Bank
“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

“%”

per cent.

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

Hong Kong, 4 July 2019

*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. Zhang Liqing, Mr. Hung Ka Hai Clement and Mr. Wan Jianhua.*

\* *for identification purpose only*