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神州數字

China Binary New Fintech Group
神州數字新金融科技集團

Data King Limited

(Incorporated in the British Virgin Islands with limited liability)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8255)

JOINT ANNOUNCEMENT

- (1) PROPOSAL FOR THE PRIVATISATION OF
CHINA BINARY NEW FINTECH GROUP
BY THE OFFEROR BY WAY OF A SCHEME OF ARRANGEMENT
(UNDER SECTION 86 OF THE COMPANIES ACT);
(2) PROPOSED WITHDRAWAL OF LISTING;
(3) ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE;
(4) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER; AND
(5) RESUMPTION OF TRADING**

Joint financial advisers to the Offeror



FOSUN HANI
复星恒利

Independent Financial Adviser to the Independent Board Committee



INTRODUCTION

On 26 August 2022, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares on GEM of the Stock Exchange.

TERMS OF THE PROPOSAL

The Scheme

Pursuant to the Scheme, the Scheme Shares will be cancelled and extinguished and, in consideration thereof, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$0.1 in cash for each Scheme Share if the Scheme becomes effective. The total consideration payable for the cancellation of the Scheme Shares will be payable by the Offeror.

The Cancellation Price will not be increased and the Offeror does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

The Cancellation Price of HK\$0.1 per Scheme Share represents:

- (i) a premium of approximately 28.2% over the closing price of HK\$0.0780 per Share as quoted on the Stock Exchange on 26 August 2022, being the Last Trading Day;
- (ii) a premium of approximately 35.1% over the closing price of HK\$0.0740 per Share as quoted on the Stock Exchange on 25 August 2022, being the full trading day immediately prior to the Last Trading Day;
- (iii) a premium of approximately 34.4% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day of approximately HK\$0.0744 per Share;
- (iv) a premium of approximately 33.3% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day of approximately HK\$0.0750 per Share;
- (v) a premium of approximately 28.5% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day of approximately HK\$0.0778 per Share;
- (vi) a premium of approximately 17.0% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 60 trading days up to and including the Last Trading Day of approximately HK\$0.0855 per Share;

- (vii) a premium of approximately 10.9% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 90 trading days up to and including the Last Trading Day of approximately HK\$0.0902 per Share;
- (viii) a discount of approximately 6.9% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 180 trading days up to and including the Last Trading Day of approximately HK\$0.1074 per Share;
- (ix) a discount of approximately 35.8% to the audited consolidated net assets of the Group per Share of approximately RMB0.136 (equivalent to approximately HK\$0.1558) as at 31 December 2021; and
- (x) a premium of approximately HK\$0.1653 to the unaudited consolidated net liabilities of the Group per Share of approximately RMB0.057 (equivalent to approximately HK\$0.0653) as at 30 June 2022.

SHAREHOLDING STRUCTURE OF THE COMPANY AND SCHEME SHARES

As at the date of this joint announcement, the authorised share capital of the Company is US\$1,000,000 divided into 1,000,000,000 Shares of a nominal or par value of US\$0.001 each, and the Company has 480,000,000 Shares in issue.

As at the date of this joint announcement, the Offeror held 261,040,000 Shares, representing approximately 54.38% of the issued share capital of the Company. As at the date of this joint announcement, Fantastic Voyage (being a party acting in concert with the Offeror and a Scheme Shareholder) held 26,854,800 Shares, representing approximately 5.60% of the issued share capital of the Company, and such Shares will form part of the Scheme Shares. However, such Shares held by Fantastic Voyage will not constitute the Disinterested Scheme Shares and therefore will not be voted on the Scheme at the Court Meeting. Thus, the Disinterested Scheme Shares, comprising 192,105,200 Shares, represent approximately 40.02% of the issued share capital of the Company as at the date of this joint announcement.

As at the date of this joint announcement, there are no outstanding convertible securities, warrants, options or derivatives in respect of any Shares.

Assuming that there is no other change in the shareholding in the Company before completion of the Proposal, following the completion of the Scheme and the withdrawal of listing of the Shares on GEM of the Stock Exchange, the Offeror will hold 100% of the issued share capital of the Company.

TOTAL CONSIDERATION AND CONFIRMATION OF FINANCIAL RESOURCES

Total consideration

As at the date of this joint announcement, there are 480,000,000 Shares in issue. On the assumption that (i) the Scheme has become effective; and (ii) no further Shares are issued before the Record Date, there would be 218,960,000 Scheme Shares.

Accordingly, the amount of cash required for the Scheme is HK\$21,896,000.

Confirmation of financial resources

The Offeror intends to finance the cash required for the Proposal by its internal cash reserves. Lego and Fosun Hani, as the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy its obligations in respect of the full implementation of the Proposal in accordance with its terms.

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished and the share certificates for the Scheme Shares will thereafter cancel and cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Stock Exchange immediately following the Scheme becoming effective.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The listing of the Shares on GEM of the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses. If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that, except with the consent of the Executive, neither the Offeror, Mr. Sun nor any person who acted in concert with either of them in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company (including a partial offer which could result in the Offeror, Mr. Sun or any persons acting in concert with either of them holding Shares carrying 30% or more of the voting rights of the Company); or (ii) acquire any voting rights of the Company if the Offeror, Mr. Sun or any persons acting in concert with either of them would thereby become obliged under Rule 26 of the Takeovers Code to make an offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all independent non-executive Directors namely Mr. Yang Haoran, Mr. Hou Dong and Mr. He Qinghua) has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Disinterested Shareholders as to whether the terms of the Proposal and the Scheme are fair and reasonable and as to voting.

Titan has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme. The appointment of Titan as the Independent Financial Adviser has been approved by the Independent Board Committee.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among others, further details of (i) the Proposal and the Scheme; (ii) the expected timetable; (iii) an explanatory memorandum as required under the rules of the Grand Court; (iv) information regarding the Company; (v) recommendations from the Independent Board Committee with respect to the Proposal and the Scheme; (vi) the letter of advice from the Independent Financial Adviser to the Independent Board Committee; and (vii) a notice of the Court Meeting and a notice of the General Meeting, together with the respective forms of proxy in relation thereto, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the GEM Listing Rules, the Companies Act, the Grand Court and other applicable laws and regulations.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 11:21 a.m. on 26 August 2022 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 1 September 2022.

WARNING

Shareholders and potential investors should be aware that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

INTRODUCTION

On 26 August 2022, the Offeror requested the Board to put forward the Proposal to the Scheme Shareholders for the privatisation of the Company by way of a scheme of arrangement under Section 86 of the Companies Act involving the cancellation of the Scheme Shares and, in consideration thereof, the payment to the Scheme Shareholders of the Cancellation Price in cash for each Scheme Share, and the withdrawal of the listing of the Shares on GEM of the Stock Exchange.

If the Proposal is approved and implemented, under the Scheme, the share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. Upon such reduction, the issued share capital of the Company will be increased to its former amount by the

allotment and issuance at par to the Offeror, credited as fully paid, of such aggregate number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished. The reserve created in the Company's books of account as a result of such capital reduction will be applied in paying up in full at par the new Shares so allotted and issued, credited as fully paid, to the Offeror.

TERMS OF THE PROPOSAL

The Scheme

Pursuant to the Scheme, the Scheme Shares will be cancelled and extinguished, and, in consideration thereof, each Scheme Shareholder will be entitled to receive the Cancellation Price of HK\$0.1 in cash for each Scheme Share. The total consideration payable for the cancellation of the Scheme Shares will be payable by the Offeror.

The Cancellation Price will not be increased and the Offeror does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

If, after the date of this joint announcement, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the net amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. The Company has confirmed that it does not intend to announce, declare or pay any dividend, distribution or other return of capital during the offer period in relation to the Proposal. As at the date of this joint announcement, there is no outstanding dividend in respect the Shares that have been announced but not yet paid.

The Cancellation Price of HK\$0.1 per Scheme Share represents:

- (i) a premium of approximately 28.2% over the closing price of HK\$0.0780 per Share as quoted on the Stock Exchange on 26 August 2022, being the Last Trading Day;
- (ii) a premium of approximately 35.1% over the closing price of HK\$0.0740 per Share as quoted on the Stock Exchange on 25 August 2022, being the full trading day immediately prior to the Last Trading Day;
- (iii) a premium of approximately 34.4% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day of approximately HK\$0.0744 per Share;
- (iv) a premium of approximately 33.3% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day of approximately HK\$0.0750 per Share;

- (v) a premium of approximately 28.5% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day of approximately HK\$0.0778 per Share;
- (vi) a premium of approximately 17.0% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 60 trading days up to and including the Last Trading Day of approximately HK\$0.0855 per Share;
- (vii) a premium of approximately 10.9% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 90 trading days up to and including the Last Trading Day of approximately HK\$0.0902 per Share;
- (viii) a discount of approximately 6.9% over the average of the closing prices of the Shares as quoted on the Stock Exchange for the last 180 trading days up to and including the Last Trading Day of approximately HK\$0.1074 per Share;
- (ix) a discount of approximately 35.8% to the audited consolidated net assets of the Group per Share of approximately RMB0.136 (equivalent to approximately HK\$0.1558) as at 31 December 2021; and
- (x) a premium of approximately HK\$0.1653 to the unaudited consolidated net liabilities of the Group per Share of approximately RMB0.057 (equivalent to approximately HK\$0.0653) as at 30 June 2022.

The Cancellation Price has been determined on an arm's length commercial basis after taking into account, among others, the recently traded prices of the Shares on the Stock Exchange, the publicly available financial information of the Group, the other privatisation transactions in Hong Kong in recent period.

Conditions of the Proposal and the Scheme

The implementation of the Proposal is, and the Scheme will become effective and binding on the Company and all Scheme Shareholders, subject to the fulfilment or waiver, as applicable, of the following conditions:

- (a) (i) the approval of the Scheme (by way of poll) by the Disinterested Shareholders holding at least 75% in value of the Disinterested Scheme Shares held by the Disinterested Shareholders, present and voting either in person or by proxy at the Court Meeting in accordance with the prevailing requirements of section 86 of the Companies Act as at the date of the Court Meeting; and (ii) the number of votes cast (by way of poll) by the Disinterested Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Disinterested Scheme Shares held by all the Disinterested Shareholders;

- (b) (i) the passing of a special resolution by a majority of not less than three-fourths of the votes cast by the Shareholders present and voting in person or by proxy at the General Meeting to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares; and (ii) after the above reduction of share capital of the Company, the passing of an ordinary resolution by a simple majority of the votes cast by the Shareholders present and voting either in person or by proxy at the General Meeting to, immediately thereafter restore the number of issued Shares in the issued share capital of the Company to the number prior to the cancellation and extinguishment of the Scheme Shares and the application of the credit arising in the Company's books of accounts as a result of the aforesaid reduction of share capital to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme, credited as fully paid, for allotment and issuance to the Offeror;
- (c) the Grand Court's sanction of the Scheme (with or without modifications) and to the extent necessary, its confirmation of the reduction of the share capital of the Company involved in the Scheme, and the delivery to the Registrar of Companies of a copy of the order of the Grand Court and the minutes approved by the Grand Court in respect of the reduction of the issued share capital of the Company for registration;
- (d) compliance, to the extent necessary, with the procedural requirements and conditions, if any, under sections 15 to 17 of the Companies Act in relation to the reduction of the share capital of the Company involved in the Scheme;
- (e) (i) all necessary statutory or regulatory requirements or obligations in all relevant jurisdictions having been complied with; and (ii) no requirement or obligation having been imposed by any Relevant Authorities which is not provided for, or is in addition to requirements provided for, under any relevant laws, rules, regulations or codes, in connection with the Proposal or the Scheme, or any matters, documents (including circulars) or things relating to the Proposal or the Scheme, in each aforesaid case up to and at the time when the Scheme becomes effective;
- (f) all Approvals which are (i) required in connection with the Proposal or its implementation by Applicable Laws or any licenses, permits or contractual obligations of the Company; and (ii) material in the context of the Group (taken as a whole), having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification up to and at the time when the Scheme becomes effective;
- (g) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order) that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigation or enquiry as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme;

- (h) no government, governmental, quasi-governmental, statutory or regulatory body, court or agency in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry or enacted, made or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order that would make the Proposal or the Scheme or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal or the Scheme or its implementation in accordance with its terms), other than such actions, proceedings, suits, investigations or enquiries as would not have a material adverse effect on the legal ability of the Offeror to proceed with the Proposal or the Scheme;
- (i) since the date of this joint announcement, there having been no adverse change in the business, assets, financial or trading position, profits or prospects of any member of the Group (to an extent which is material in the context of the Group taken as a whole or in the context of the Proposal or the Scheme);
- (j) the Company remaining solvent and not being subject to any insolvency, bankruptcy or other similar proceedings and no liquidator, receiver or other person carrying out any similar function having been appointed in any jurisdiction in respect of the whole or any substantial part of the assets and undertakings of the Group; and
- (k) save in connection with the implementation of the Proposal, the listing of the Shares on GEM of the Stock Exchange not having been withdrawn, and no indication having been received from the SFC and/or the Stock Exchange to the effect that the listing of the Shares on the Stock Exchange is or is likely to be withdrawn.

The Offeror reserves the right to waive Conditions (g) to (j) either in whole or in part, either generally or in respect of any particular matter to the extent that such waiver would not make the Proposal or its implementation in accordance with its terms illegal. Conditions (a) to (f) and (k) cannot be waived in any event, and the Company has no right to waive any of the Conditions (a) to (f) and (k). In respect of Conditions (e) and (f) above, the Company and/or the Offeror are not aware of any such statutory or regulatory obligations, requirements or consents required as at the date of this joint announcement. In respect of Conditions (g) and (h), the Company and/or the Offeror are not aware of any such action, proceeding, suit, investigation or enquiry as at the date of this joint announcement.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Scheme if the circumstances which give rise to the right to invoke any such Condition are of material significance to the Offeror in the context of the Proposal. As at the date of this joint announcement, the Offeror is not aware of any such circumstances.

All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Proposal and the Scheme will lapse.

If the Proposal is approved, the Scheme will be binding on all of the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting.

As at the date of this joint announcement, none of the Conditions have been fulfilled, satisfied, or waived, as applicable.

WARNING: Shareholders and potential investors of the Company should be aware that the implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

TOTAL CONSIDERATION AND CONFIRMATION OF FINANCIAL RESOURCES

Highest and lowest Share prices

During the six-month period preceding the date of this joint announcement and up to the Last Trading Day, the highest and lowest closing prices of the Shares as quoted on the Stock Exchange were HK\$0.15 per Share on 17, 18, 21, 22 and 23 March 2022 and HK\$0.073 per Share on 18, 23 and 24 August 2022, respectively.

Total consideration

As at the date of this joint announcement, there are 480,000,000 Shares in issue. On the assumption that (i) the Scheme has become effective; and (ii) no further Shares are issued before the Record Date, there would be 218,960,000 Scheme Shares.

Accordingly, the amount of cash required for the Scheme is HK\$21,896,000.

Confirmation of financial resources

The Offeror intends to finance the cash required for the Proposal by its internal cash reserves. Lego and Fosun Hani, as the joint financial advisers to the Offeror, are satisfied that sufficient financial resources are available to the Offeror to satisfy its obligations in respect of the full implementation of the Proposal in accordance with its terms.

SHAREHOLDING STRUCTURE OF THE COMPANY AND SCHEME SHARES

As at the date of this joint announcement, the authorised share capital of the Company is US\$1,000,000 divided into 1,000,000,000 Shares of US\$0.001 each, and the Company has 480,000,000 Shares in issue.

As at the date of this joint announcement, the Offeror held 261,040,000 Shares, representing approximately 54.38% of the issued share capital of the Company. As at the date of this joint announcement, Fantastic Voyage (being a party acting in concert with the Offeror and a Scheme Shareholder) held 26,854,800 Shares, representing approximately 5.60% of the issued share capital of the Company, and such Shares will form part of the Scheme Shares. However, such Shares held by Fantastic Voyage will not constitute the Disinterested Scheme Shares and therefore will not be voted on the Scheme at the Court Meeting. Thus, the Disinterested Scheme Shares, comprising 192,105,200 Shares, represent approximately 40.02% of the issued share capital of the Company.

The table below sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) upon the Scheme becoming effective:

	As at the date of this joint announcement		Upon the Scheme becoming effective	
	Number of Shares	%	Number of Shares	%
Offeror and it concert parties:	287,894,800	59.98	480,000,000	100%
Offeror (Notes 1 to 5)	261,040,000	54.38	480,000,000	100%
Fantastic Voyage (Note 6)	26,854,800	5.60	—	—
Disinterested Shareholders:	192,105,200	40.02	—	—
IDG-Accel China Growth Fund II L.P. (Note 7)	44,146,725	9.20	—	—
IDG China Investors II L.P. (Note 7)	3,610,475	0.75	—	—
Other Disinterested Shareholders	<u>144,348,000</u>	<u>30.07</u>	<u>—</u>	<u>—</u>
Total number of Shares	<u>480,000,000</u>	<u>100</u>	<u>480,000,000</u>	<u>100</u>
Total number of Scheme Shares (Notes 8 and 9)	218,960,000	45.62%		

Notes:

1. The Offeror is the ultimate holding company of the Company and a company with liability limited by shares incorporated in the British Virgin Islands. Mr. Sun is the sole shareholder of the Offeror. Accordingly, Mr. Sun is interested in the 261,040,000 Shares through the Offeror.
2. All the 261,040,000 Shares are held by and in the sole name of the Offeror. These 261,040,000 Shares in which the Offeror is interested will not form part of the Scheme Shares and will not be cancelled and extinguished.
3. Mr. Sun is the sole director of the Offeror. Under the Takeovers Code, Mr. Sun is considered as party acting in concert with the Offeror.

4. As at the date of this joint announcement, save for Mr. Sun who is interested in the 261,040,000 Shares held through the Offeror, no other Directors hold any Shares.
5. Lego and Fosun Hani are the joint financial advisers to the Offeror in connection with the Proposal. Accordingly, Lego, Fosun Hani and the persons controlling, controlled by or under the same control as Lego and Fosun Hani respectively are presumed to be acting in concert with the Offeror in accordance with class (5) of the definition of “acting in concert” in the Takeovers Code. As at the date of this joint announcement, Lego, Fosun Hani and the persons controlling, controlled by or under the same control as Lego and Fosun Hani respectively do not hold any Shares.
6. Fantastic Voyage is a party acting in concert with the Offeror and is wholly owned by Mr. Wei Zhonghua (“**Mr. Wei**”). Mr. Wei was a former non-executive Director until 20 September 2019. Immediately prior to 17 January 2018, Mr. Wei was interested in 128,614,800 Shares (representing approximately 26.79% of the issued share capital of the Company) through Swift Well Limited (“**Swift Well**”), a company which was beneficially owned as to 95% by Mr. Wei at the material time. On 17 January 2018, Swift Well sold 101,760,000 Shares (representing approximately 21.2% of the issued share capital of the Company) to the Offeror (the “**Transfer**”). Subsequently, on 29 November 2018, Swift Well sold all of its remaining Shares (i.e. 26,854,800 Shares, representing 5.60% of the issued share capital of the Company) to Fantastic Voyage. Following the above transfers, Mr. Wei’s interest in the issued share capital of the Company decreased from approximately 26.79% to 5.60% as at the date of this joint announcement.
7. IDG-Accel China Growth Fund II L.P. is an exempted limited partnership registered in the Cayman Islands which owned 44,146,725 Shares. Its general partner is IDG-Accel China Growth Fund II Associates L.P., while the general partner of IDG-Accel China Growth Fund II Associates L.P. is IDG-Accel China Growth Fund GP II Associates Ltd., which is a limited company incorporated in the Cayman Islands. Moreover, IDG-Accel China Growth Fund GP II Associates Ltd. is the general partner of IDG China Investors II L.P. which owned 3,610,475 Shares. Each of IDG-Accel China Growth Fund II L.P., IDG-Accel China Growth Fund II Associates L.P., IDG-Accel China Growth Fund GP II Associates Ltd. and IDG China Investors II L.P. are not acting or presumed to be acting in concert with the Offeror.
8. Scheme Shares comprise Share(s) other than those held by the Offeror.
9. Under the Scheme, the issued share capital of the Company will, on the Effective Date, be reduced by cancelling and extinguishing the Scheme Shares. On the assumption that there is no other change in shareholding of the Company before completion of the Proposal, forthwith upon such reduction, the issued share capital of the Company will be reduced by the amount of the Scheme Shares cancelled and extinguished. Forthwith upon such reduction, the issued share capital of the Company will be increased to its former amount prior to the cancellation and extinguishment of the Scheme Shares by the issue at par to the Offeror, credited as fully paid, of the same number of Shares as is equal the number of the Scheme Shares cancelled and extinguished. The reserve created in the Company’s books of account as a result of the capital reduction will be applied in paying up in full at par the new Shares so issued, credited as fully paid, to the Offeror.

As at the date of this joint announcement, there are no outstanding convertible securities, warrants, options or derivatives in respect of any Shares.

Assuming that there is no other change in the shareholding in the Company before completion of the Proposal, following of the Scheme becoming effective and the withdrawal of listing of the Shares on GEM of the Stock Exchange, the Offeror will hold 100% of the issued share capital of the Company.

REASONS FOR AND BENEFITS OF THE PROPOSAL

(a) **The Company's businesses had not been performing well in recent financial years and the Group has been loss-making during each of the past four financial years**

Since the Company's listing in 2013, the Company has gradually shifted its business focus from the online transaction services business (the "**Online Transaction Services Business**") to the micro-financing facilitating services business (the "**Micro-Financing Facilitating Services Business**") (in 2017), the software technology services and sales of smart hardware products (the "**Software and Hardware Business**") (in 2018) and then to financial services business (the "**Financing Services Business**") (in 2019).

The revenue for the Online Transaction Services Business, which was the Company's principal business at the time of the Company's listing, has dropped down the years as a result of the rapid growth of mobile payment industry in recent years. Despite the Company commenced the Micro-Financing Facilitating Services Business in 2017, revenue from this business dropped due to the uncertainty in government policy. The Company in turn commenced the Software and Hardware Business in 2018, and has devoted significant resources in developing blockchain related technology. However, the Software and Hardware Business did not pay off due to (i) the significant fluctuation in price of cryptocurrencies (including bitcoin); (ii) increase in market competition; and (iii) deterioration in external market environment. In 2019, the Company commenced the new Financial Services Business.

For the year ended 31 December 2021, the revenue generated from the Online Transaction Services Business and the Software and Hardware Business decreased by approximately 24.4% and 49.0% from that for the year ended 31 December 2020, respectively. As disclosed in the Company's interim report for the six months ended 30 June 2022, the Group has ceased its Online Transaction Services Business since June 2022. Furthermore, the overall increase in total revenue during the year ended 31 December 2021 was driven by the increase in revenue generated from the Financial Services Business. However, the Group had been making a loss since the commencement of the Financial Services Business in the year ended 31 December 2019 and up to the six months ended 30 June 2022. For instance, the Group recorded a loss of approximately RMB46.2 million in respect of the Financial Services Business for the year ended 31 December 2021.

As a whole, the Group has been loss-making during each of the past four financial years. The Group's loss for the year attributable to owners of the Company amounted to approximately RMB76.1 million, RMB49.7 million, RMB67.1 million and RMB88.3 million for the years ended 31 December 2018, 2019, 2020 and 2021, respectively. For the six months ended 30 June 2022, the Group's loss for the year attributable to owners of the Company amounted to approximately RMB20.0 million. In addition, the Group recorded net assets of approximately RMB65.3 million as at 31 December 2021 and net liabilities of approximately RMB27.4 million as at 30 June 2022.

The Offeror and the Company may from time to time implement long-term growth strategies which may affect the Company's short-term growth profile and may result in the divergence between the Offeror's and the Company's view on the Company's long-term value on one hand (which might involve significant investments and the uncertainty of end results), and the investors' views on the potential execution risks and the significant cost involved impacting the Company's short-term financial and share price performance on the other hand.

The Proposal, if successfully implemented, would facilitate the Offeror's further contribution of financial resources into the Company to satisfy its capital requirements without dilution on the independent Shareholders' interests. Furthermore, given the technology sector is fast changing, the Proposal, if successfully implemented, would enhance a more efficient decision making process without having bound by compliance with the GEM Listing Rules. In addition, following the implementation of the Proposal, the Offeror and the Company can make strategic decisions focused on long-term benefits, free from the other constraints and pressure of market expectations on share price associated with being a publicly listed company.

(b) Low trading liquidity for the Shareholders to dispose of Shares on market

The average daily trading volume of the Shares for the last 90 trading days up to and including the Last Trading Day was approximately 124,667 Shares per day, representing only approximately 0.026% of the issued Shares or approximately 0.065% of the Disinterested Scheme Shares as at the date of this joint announcement. The low trading liquidity of the Shares could make it difficult for the Shareholders to dispose of Shares on market.

Following the Company's listing in 2013, the Company has not been able to undergo equity fund-raising. Due to the relatively low liquidity in the trading of the Shares, the Offeror considers that the Company's current listing platform may no longer serve as an effective fund-raising platform for the Company's business and future growth.

(c) A good opportunity for the Disinterested Shareholders to realise their investment for a premium to the recent trading prices

The Group recorded losses per Share during the past four financial years. The Group's losses per Share amounted to RMB cents 15.86, RMB cents 10.34, RMB cents 13.99 and RMB cents 18.39 for the years ended 31 December 2018, 2019, 2020 and 2021, respectively. For the six months ended 30 June 2022, the Group's losses per Share amounted to RMB cents 4.16.

In addition, during the last 90 trading days up to and including the Last Trading Day, the lowest and highest closing prices per Share on the Stock Exchange were HK\$0.073 and HK\$0.124, respectively, with a simple average closing price of approximately HK\$0.0902.

The Offeror believes that the Cancellation Price of HK\$0.1 per Share represents a premium to the recent trading prices at which the market had valued the Company, and therefore, the Proposal offers the Disinterested Shareholders an attractive exit premium and opportunity to realise their investment in return for cash and redeploy into other investment opportunities with more liquidity that they may consider more attractive.

(d) Costs and management resources associated with the Company's listing status on the Stock Exchange are additional burden to generate returns to the Shareholders

As disclosed above, the Group has been recording loss for the year attributable to owners of the Company during each of the past four financial years. The costs and management resources associated with the maintenance of the Company's listing status on the Stock Exchange are additional burden to generate returns to the Shareholders. In order to comply with the relevant rules and regulations, the management of the Group had to spend substantial time on handling compliance with the GEM Listing Rules such as issue of financials every quarter, and this had diversified the management's efforts on the management and development of the Group's businesses, which in turn jeopardised the management efforts to increase the Shareholders' value. Therefore, the delisting of the Company is expected to be more efficient and cost-effective and create more flexibility for the Group to manage its business in an efficient and sustainable manner.

INTENTION OF THE OFFEROR IN RESPECT OF THE GROUP

The Offeror has no plan to introduce any material changes to the business and/or assets of the Group, or to redeploy its major fixed assets or discontinue the employment of employees of the Group as a result of the Proposal. After successful privatisation of the Company, the Offeror will review the businesses of the Group, including among others, the Group's business, financials, assets, corporate and organisational structure, capital structure, operations, policies, management and personnel to consider and determine what changes, if any, would be necessary, appropriate or desirable, long term and short term, in order to best organise and optimise the businesses and operations of the Group. As at the date of this joint announcement, the Offeror does not have the intention to seek listing of the Company or the Company's existing business in another location. It is the intention of the Offeror for the Group to maintain its existing businesses upon the successful privatisation of the Company. However, the Offeror and the Company will continue to assess business opportunities as and when they arise.

INFORMATION ON THE OFFEROR

The Offeror is a company with liability limited by shares incorporated in the British Virgin Islands and directly held approximately 54.38% of the issued share capital of the Company. As at the date of this joint announcement, the Offeror is wholly and beneficially owned by Mr. Sun.

Mr. Sun Jiangtao, aged 44, is the chairman and the chief executive officer and the executive director of the Company, and was appointed as an executive Director on 11 May 2011 and subsequently appointed as the chairman on 20 September 2019. Mr. Sun is also a director of certain subsidiaries of the Company. He is a member of each of the remuneration committee and the nomination committee of the

Board. Mr. Sun joined the Group in October 2004. Mr. Sun graduated from the Beijing University of Aeronautics and Astronautics with a bachelor's degree in Engineering. In 2012, Mr. Sun was acknowledged as "2012 Outstanding Young Entrepreneur in the Industry of China's Electronic Information" by China Electronics Enterprises Association. In 2014, Mr. Sun was recognised as 2014 China's Commercial Influential People (中國商業影響力人物) by the Third Session of China Finance Summit Organising Committee (中國財經峰會組委會) and he has more than 21 years of experience in corporate management, financing, operation, product design and marketing.

INFORMATION ON THE GROUP

The Group is principally engaged in the provision of (i) online transaction services (ceased operation since June 2022); (ii) software technology services; and (iii) financial services. The Shares had been listed on GEM of the Stock Exchange since 4 December 2013.

Set out below is the summary of financial information of the Group for the years ended 31 December 2020 and 2021 as extracted from the Company's annual report for the year ended 31 December 2021 and the six months ended 30 June 2021 and 2022 as extracted from the Company's interim report for the six months ended 30 June 2022:

	For the six months ended		For the year ended	
	30 June		31 December	
	2022	2021	2021	2020
	(RMB'000)	(RMB'000)	(RMB'000)	(RMB'000)
	Unaudited	Unaudited	Audited	Audited
Revenue	38,390	17,977	49,020	31,929
Loss before income tax	(40,644)	(31,081)	(94,925)	(71,652)
Loss for the period/year	(40,649)	(30,810)	(94,655)	(70,435)
Loss for the period/year attributable to owners of the Company	(19,966)	(27,887)	(88,275)	(67,149)

Set out below is the summary of financial information of the Group as at 31 December 2021 and 30 June 2022 as extracted from the Company's interim report for the six months ended 30 June 2022:

	As at	As at
	30 June	31 December
	2022	2021
	(RMB'000)	(RMB'000)
	Unaudited	Audited
Total assets	2,051,431	1,423,413
Total liabilities	2,078,797	1,358,074
Equity attributable to the Shareholders	(35,744)	36,278

WITHDRAWAL OF LISTING OF SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and extinguished and the share certificates for the Scheme Shares will thereafter cancel and cease to have effect as documents or evidence of title. The Company will apply to the Stock Exchange for the withdrawal of the listing of the Shares on GEM of the Stock Exchange immediately following the Scheme becoming effective. The Scheme Shareholders will be notified by way of an announcement of the exact date of the last day for dealing in the Shares and on which the Scheme and the withdrawal of the listing of the Shares on GEM of the Stock Exchange will become effective. A detailed timetable of the Scheme will be included in the Scheme Document, which will also contain, among others, further details of the Scheme.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

The listing of the Shares on GEM of the Stock Exchange will not be withdrawn if the Scheme does not become effective or the Proposal otherwise lapses. If the Scheme is not approved or the Proposal otherwise lapses, there are restrictions under the Takeovers Code on making subsequent offers, to the effect that, except with the consent of the Executive, neither the Offeror, Mr. Sun nor any person who acted in concert with either of them in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may, within 12 months from the date on which the Scheme is not approved or the Proposal otherwise lapses, (i) announce an offer or possible offer for the Company (including a partial offer which could result in the Offeror, Mr. Sun or any persons acting in concert with either of them holding Shares carrying 30% or more of the voting rights of the Company); or (ii) acquire any voting rights of the Company if the Offeror Mr. Sun or any persons acting in concert with either of them would thereby become obliged under Rule 26 of the Takeovers Code to make an offer.

OVERSEAS SHAREHOLDERS

The making and implementation of the Proposal to, and the acceptance of the Proposal by, the Scheme Shareholders who are not resident in Hong Kong may be subject to the laws of the relevant jurisdictions in which such Scheme Shareholders are located. The Company will seek legal advice from local counsel in the aforementioned jurisdictions as to whether there is any restriction under the respective laws or regulations of those jurisdictions against extending the Scheme automatically or despatching the Scheme Document to those overseas Scheme Shareholders. Such overseas Scheme Shareholders should inform themselves about and observe any applicable legal, tax or regulatory requirements in their own jurisdictions. It is the responsibility of any overseas Scheme Shareholders wishing to take any action in relation to the Proposal to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities and the payment of any issue, transfer or other taxes due from such overseas Scheme Shareholders in such jurisdiction. Any acceptance by such overseas Scheme Shareholders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers that those laws and regulatory requirements have been complied with. Persons who are in doubt as to their position should consult their professional advisers.

In the event that the despatch or receipt of the Scheme Document to or by overseas Scheme Shareholders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the Directors regard as unduly onerous or burdensome (or otherwise not in the best interests of the Company or the Shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders. For that purpose, the Company will apply for any waiver as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver may only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders. The Executive may or may not give such waiver.

TAXATION ADVICE

The Scheme Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting the Proposal. It is emphasised that none of the Offeror, Lego, Fosun Hani and the Company or any of their respective directors, officers or associates or any other person involved in the Proposal accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Proposal.

SCHEME SHARES, COURT MEETING AND GENERAL MEETING

As at the date of this joint announcement, the Offeror held 261,040,000 Shares, representing approximately 54.38% of the issued share capital of the Company. Such Shares held by the Offeror will not constitute the Disinterested Scheme Shares and will not be voted on the Scheme at the Court Meeting. As at the date of this joint announcement, Fantastic Voyage (being a party acting in concert with the Offeror and a Scheme Shareholder) held 26,854,800 Shares, representing approximately 5.60% of the issued share capital of the Company, and such Shares will form part of the Scheme Shares. However, such Shares held by Fantastic Voyage will not constitute the Disinterested Scheme Shares and therefore will not be voted on the Scheme at the Court Meeting.

Each of the Offeror and Fantastic Voyage will undertake to the Grand Court that it will be bound by the Scheme, so as to ensure that they will comply with and be subject to the terms and conditions of the Scheme.

All Shareholders will be entitled to attend the General Meeting and vote on (i) the special resolution to approve and give effect to the reduction of the issued share capital of the Company by cancelling and extinguishing the Scheme Shares; and (ii) the ordinary resolution to, immediately thereafter increase the issued share capital of the Company and apply the reserve created as a result of the aforesaid cancellation and extinguishment of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled and extinguished as a result of the Scheme for issue to the Offeror.

COSTS OF THE SCHEME

Pursuant to Rule 2.3 of the Takeovers Code, if the Scheme is not approved and the Proposal is either not recommended by the Independent Board Committee, or is not recommended as fair and reasonable by the Independent Financial Adviser, all costs and expenses incurred by the Company and the Offeror in connection with the Scheme will be borne by the Offeror.

If the Proposal is recommended by the Independent Board Committee, and is recommended as fair and reasonable by the Independent Financial Adviser, the Company and the Offeror have agreed that each party will bear their own costs, charges and expenses.

GENERAL

The Offeror and Mr. Sun confirm that, as at the date of this joint announcement:

- (i) the Offeror, Mr. Sun or any party acting in concert with either of them have not received any irrevocable commitment to vote for or against the Scheme;
- (ii) save as disclosed in the section headed “Shareholding Structure of the Company and Scheme Shares”, there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, Mr. Sun or any party acting in concert with either of them;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Shares or the shares of the Offeror between the Offeror, Mr. Sun or any party acting in concert with either of them and any other person which may be material to the Proposal (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) save as disclosed in the section headed “Shareholding Structure of the Company and Scheme Shares”, none of the Offeror, Mr. Sun or any party acting in concert with either of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (v) none of the Offeror, Mr. Sun or any party acting in concert with either of them has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period immediately prior to and including the date of this joint announcement;
- (vi) there is no agreement or arrangement to which the Offeror, Mr. Sun or any party acting in concert with either of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Proposal;
- (vii) there are no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, Mr. Sun or any party acting in concert with either of them have borrowed or lent; and

(viii) save for the Cancellation Price, no consideration, compensation or benefit in whatever form is or will be provided by the Offeror, Mr. Sun or any party acting in concert with either of them to the Shareholders in connection with the Proposal.

The Board and the Offeror confirm that, as at the date of this joint announcement, there is no understanding, agreements, arrangement or special deal between (a) any Shareholder and (b)(i) the Company, its subsidiaries or associated companies or (b)(ii) the Offeror and Mr. Sun or any party acting in concert with either of them.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee (comprising all independent non-executive Directors namely Mr. Yang Haoran, Mr. Hou Dong and Mr. He Qinghua) has been established in accordance with Rule 2.1 of the Takeovers Code to advise and give a recommendation to the Disinterested Shareholders as to whether the terms of the Proposal and the Scheme are fair and reasonable and as to voting.

Titan has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in connection with the Proposal and the Scheme. The appointment of Titan as the Independent Financial Adviser has been approved by the Independent Board Committee.

DESPATCH OF SCHEME DOCUMENT

The Scheme Document containing, among others, further details of (i) the Proposal and the Scheme; (ii) the expected timetable; (iii) an explanatory memorandum as required under the rules of the Grand Court; (iv) information regarding the Company; (v) recommendations from the Independent Board Committee with respect to the Proposal and the Scheme; (vi) the letter of advice from the Independent Financial Adviser to the Independent Board Committee; and (vii) a notice of the Court Meeting and a notice of the General Meeting, together with the respective forms of proxy in relation thereto, will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Takeovers Code, the GEM Listing Rules, the Companies Act, the Grand Court and other applicable laws and regulations.

The Scheme Document will contain important information and the Disinterested Shareholders are urged to read carefully the Scheme Document containing such disclosures before casting any vote at (or providing any proxy in respect of) the Court Meeting or the General Meeting. Any voting, acceptance or other response to the Proposal should be made on the basis of information in the Scheme Document or any other document by which the Proposal is made.

DEALING DISCLOSURE

All associates (as defined under the Takeovers Code and include persons holding 5% or more of any class of relevant securities) of any of the Company and the Offeror are hereby reminded to disclose their dealings in any securities of the Company pursuant to the Takeovers Code during the offer period.

“associated company(ies)”	has the meaning given to it under the Takeovers Code
“Applicable Laws”	with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgements, decrees, orders or notices of any Authority that is applicable to such person
“Approvals”	licenses, authorisation, approvals, permits, consents, permissions, clearances, waivers, filings, and registrations
“Authority”	any relevant government, administrative, statutory or regulatory body, or court, tribunal, arbitrator or governmental or quasi-governmental agency or authority or department (including any relevant securities exchange) and whether supranational, national, regional or local
“Board”	the board of Directors
“Cancellation Price”	the cancellation price of HK\$0.1 per Scheme Share payable in cash by the Offeror to the Scheme Shareholders pursuant to the Scheme
“Companies Act”	the Companies Act (as revised), of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	China Binary New Fintech Group (stock code: 8255), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM of the Stock Exchange
“Condition(s)”	the conditions to the implementation of the Proposal and the Scheme as set out in the section headed “TERMS OF THE PROPOSAL — Conditions of the Proposal and the Scheme” of this joint announcement
“Court Meeting”	a meeting of the Disinterested Shareholders to be convened and held at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“concert parties”	with respect to a person, parties acting in concert or presumed to be acting in concert with that person for the purposes of the Takeovers Code
“Director(s)”	the director(s) of the Company
“Disinterested Scheme Share(s)”	Share(s) in issue other than those held by the Offeror, Mr. Sun and any party acting in concert with either of them

“Disinterested Shareholder(s)”	Shareholder(s) other than the Offeror, Mr. Sun and any party acting in concert with either of them
“Effective Date”	the date on which the Scheme, if approved and sanctioned by the Grand Court, becomes effective in accordance with its terms and the Companies Act, being the date on which a copy of the order of the Grand Court sanctioning the Scheme and confirming the reduction of issued share capital resulting from the cancellation and extinguishment of the Scheme Shares is delivered to the Registrar of Companies for registration pursuant to Section 86(3) of the Companies Act
“Executive”	the executive director of the Corporate Finance Division of the SFC or any delegates of the executive director
“Fantastic Voyage”	Fantastic Voyage Holdings Limited, a company incorporated in the British Virgin Islands with limited liability by shares and directly held approximately 5.6% of the issued share capital of the Company as at the date of this joint announcement, and being a party acting in concert with the Offeror
“Fosun Hani”	Fosun Hani Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities), Type 2 (dealing in future contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) registered activities as defined under the SFO, and one of the joint financial advisers to the Offeror in relation to the Proposal
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“General Meeting”	an extraordinary general meeting of the Company to be held immediately after the conclusion or adjournment of the Court Meeting for the purpose of considering and approving, among others, the implementation of the Scheme and the changes to the issued share capital of the Company as described in the section headed “TERMS OF THE PROPOSAL — Conditions of the Proposal and the Scheme” of this joint announcement
“Grand Court”	the Grand Court of the Cayman Islands
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Independent Board Committee”	the independent board committee of the Company, comprising all independent non-executive Directors namely Mr. Yang Haoran, Mr. Hou Dong and Mr. He Qinghua established by the Board to make a recommendation to the Disinterested Shareholders in respect of the Proposal and the Scheme
“Independent Financial Adviser” or “Titan”	Titan Financial Services Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) registered activity as defined under the SFO, and being the independent financial adviser to the Independent Board Committee
“Last Trading Day”	26 August 2022, being the last trading day for the Shares immediately before the publication of this joint announcement
“Lego”	Lego Corporate Finance Limited, a licensed corporation to carry on Type 6 (advising on corporate finance) registered activity as defined under the SFO, and one of the joint financial advisers to the Offeror in relation to the Proposal
“Long Stop Date”	31 December 2022, or such later date as the Offeror, the Company, Lego and Fosun Hani may agree or, to the extent applicable, as the Grand Court on application of the Offeror and the Company may direct and, in all cases, as permitted by the Executive
“Mr. Sun”	Mr. Sun Jiangtao (孫江濤), the chairman and the chief executive officer of the Company, and an executive director and the sole shareholder and director of the Offeror
“Offeror”	Data King Limited, a company incorporated in the British Virgin Islands with limited liability by shares and directly held approximately 54.38% of the issued share capital of the Company as at the date of this joint announcement
“offer period”	has the meaning given to it under the Takeovers Code
“PRC”	the People’s Republic of China (but excluding, for the purpose of this joint announcement only, Hong Kong, Macau and Taiwan)

“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme, and the withdrawal of the listing of the Shares on GEM of the Stock Exchange, on the terms and subject to the conditions set out in this joint announcement
“Record Date”	the appropriate record date to be announced for determining entitlements under the Scheme
“Registrar of Companies”	the Registrar of Companies in the Cayman Islands
“Relevant Authorities”	any relevant government, quasi-governmental, supranational, regulatory, administrative or investigative body, court, tribunal, arbitrator, agency, authority or department having jurisdiction over members of the Group in matters relevant to the Proposal
“relevant securities”	has the meaning given to it under Note 4 to Rule 22 of the Takeovers Code
“RMB”	renminbi, the lawful currency of the PRC
“Scheme”	a scheme of arrangement between the Company and the Scheme Shareholder under Section 86 of the Companies Act (subject to the Conditions) involving, among others, the cancellation and extinguishment of all the Scheme Shares and the restoration of the number of issued shares in the issued share capital of the Company to the number immediately before the cancellation and extinguishment of the Scheme Shares
“Scheme Document”	the composite scheme document of the Company and the Offeror to be issued to all Shareholders containing, among others, further details of the Proposal together with the additional information specified in the section headed “DESPATCH OF SCHEME DOCUMENT” of this joint announcement
“Scheme Share(s)”	Share(s) other than those held by the Offeror
“Scheme Shareholder(s)”	registered holder(s) of the Scheme Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571) of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

“Share(s)”	ordinary share(s) of a nominal or par value of US\$0.001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“special deal”	has the meaning given to it under Rule 25 of the Takeovers Code
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers, as amended, supplemented or otherwise modified from time to time
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

Unless otherwise specified, for the purpose of this joint announcement and for the purpose of illustration only, the translation of RMB into HKD in this joint announcement are based on the rate of RMB1.00: HK\$1.146.

By Order of the board of
Data King Limited
SUN Jiangtao
Director

By Order of the board of
China Binary New Fintech Group
SUN Jiangtao
Executive Director

Hong Kong, 31 August 2022

As at the date of this joint announcement, the sole director of the Offeror is Mr. SUN Jiangtao.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Group), and confirm, having made all reasonable enquires, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors (other than himself)) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the Board comprises one executive Director, namely, Mr. SUN Jiangtao and three independent non-executive Directors, namely, Mr. HOU Dong, Mr. HE Qinghua and Mr. YANG Haoran.

This joint announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this joint announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this joint announcement misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Offeror, Mr. Sun and any party acting in concert with either of them), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

This joint announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Announcements” page for at least 7 days from the day of its posting and on the Company’s website at www.shenhoufu.com.

In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.