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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)

CONTINUING CONNECTED TRANSACTIONS

(1) EXTENDED WARRANTY SERVICES COOPERATION AGREEMENT

AND

(2) EXTENDED WARRANTY REPAIR COOPERATION AGREEMENT

EXTENDED WARRANTY SERVICES COOPERATION AGREEMENT

On 3 April 2020, Gome Wangjin, an indirect wholly-owned subsidiary of the Company, entered into the Extended Warranty Services Cooperation Agreement with Tianjin Pengsheng, GOME Steward and GOME-on-line (for themselves and on behalf of the other Service Companies), pursuant to which Gome Wangjin will provide extended warranty services, including repairing and replacement services, for certain electronic products sold by the GOME Group for one-off service fees in return.

EXTENDED WARRANTY REPAIR COOPERATION AGREEMENT

On 3 April 2020, Gome Wangjin entered into the Extended Warranty Repair Cooperation Agreement with Gome Hengyuan (for itself and on behalf of the other Repair Companies), pursuant to which the Repair Companies will provide repairing and replacement services for the electronic products for which Gome Wangjin provides extended warranty services and in return Gome Wangjin will pay repairing fees to the Repair Companies.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Wong, being the husband of Ms. Du (the controlling shareholder of the Company indirectly holding approximately 61.20% shareholding interest in the Company), is the controlling shareholder of GOME which is the ultimate holding company of the Service Companies and the Repair Companies. As such, each of Tianjin Pengsheng, GOME Steward and GOME-on-line (and the other Service Companies represented by them) and Gome Hengyuan (and the other Repair Companies represented by Gome Hengyuan) is regarded as an associate of Ms. Du, and hence a connected person of the Company. Accordingly, the transactions contemplated under the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Based on the proposed annual caps of the transactions contemplated under the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement and the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the Extended Warranty Services Cooperation Agreement, the Extended Warranty Repair Cooperation Agreement and the transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Company will convene a SGM to seek the Independent Shareholders' approval on, amongst other things, the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement. A circular containing, amongst other things, further information on the transactions contemplated under the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser, notice of SGM and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 31 May 2020.

EXTENDED WARRANTY SERVICES COOPERATION AGREEMENT

On 3 April 2020, Gome Wangjin, an indirect wholly-owned subsidiary of the Company, entered into the Extended Warranty Services Cooperation Agreement with Tianjin Pengsheng, GOME Steward and GOME-on-line (for themselves and on behalf of the other Service Companies), pursuant to which Gome Wangjin will provide extended warranty services, including repairing and replacement services, for certain electronic products sold by the GOME Group for one-off service fees in return.

The principal terms of the Extended Warranty Services Cooperation Agreement are as follows:

Date

3 April 2020

Parties

- (1) Gome Wangjin;
- (2) Tianjin Pengsheng;
- (3) GOME Steward; and
- (4) GOME-on-line.

Term

From 3 April 2020 up to and including 31 December 2021 (both days inclusive).

Subject Matter

The GOME Group may from time to time offer extended warranty for electronic products such as mobile phones, digital cameras, computers and home appliances including air conditioners, washing machines and refrigerators, amongst others, for purchase by its customers. The customers who elect to purchase extended warranty services for such electronic products will be required to enter into separate agreements containing standard terms and conditions (the “**Individual Extended Warranty Agreement(s)**”) with the relevant Service Companies.

Pursuant to the Extended Warranty Services Cooperation Agreement, the Service Companies will pay Gome Wangjin one-off service fees for the provision of extended warranty services pursuant to each Individual Extended Warranty Agreement, and in return Gome Wangjin will procure for the provision of the extended warranty services, including repairing and replacement services, for the electronic products covered by such Individual Extended Warranty Agreements upon occurrence of warranty claims within the applicable extended warranty periods. Gome Wangjin will not receive any service fees from the end customers pursuant to the Individual Extended Warranty Agreements.

The extended warranty period provided under the Individual Extended Warranty Agreements may last for six (6) months to ten (10) years after expiry of the basic warranty period depending on the category of electronic products being covered. The total warranty period (i.e. the basic warranty period plus the extended warranty period) may be up to fourteen (14) years after the date of the relevant Individual Extended Warranty Agreements for certain electronic products. The Directors consider that such extended warranty period is a normal commercial term and is comparable to similar services available in the market within the knowledge of the Group.

Pursuant to the Extended Warranty Services Cooperation Agreement, Gome Wangjin's liability for each electronic product covered under the extended warranty services will be subject to the agreed cap amount set out in the Extended Warranty Services Cooperation Agreement with reference to the retail price of such electronic product.

Service Fees and Payment

During the term of the Extended Warranty Services Cooperation Agreement, Gome Wangjin will be provided monthly reports of electronic products for which extended warranty services have been purchased. Gome Wangjin will issue invoices based on such reports, and the Service Companies will settle the service fees within thirty (30) business days after their receipt of the invoices.

The Extended Warranty Services Cooperation Agreement sets out specific service fees for each category of electronic products. Such service fees have been determined by the Group primarily with reference to the historical data on similar extended warranty services available to the Company. Specifically, as the product range under the Extended Warranty Services Cooperation Agreement is wide and the Group does not have its own historical data (such as the historical repair and replacement costs and ratio) based on which to build a new price list, the Group has obtained a price list of the extended warranty services provided by a third party to the GOME Group previously. The Company has performed a sample check on key products to verify the price list and ensure that the service fees could provide the Group with positive and reasonable gross profit. In this connection, a number of factors have been taken into account, including, among others: (1) the retail price range of the products; (2) the duration of the extended

warranty of such products; (3) the maximum liability for each product covered by the extended warranty; and (4) the product repair and replacement costs and ratio. Following the Company's review, the price list was adopted and modified to the extent considered necessary.

The operations team will monitor the repair and replacement costs and ratio on a regular basis with monthly report to the management. If there is any increment over the relevant thresholds in respect of any type of products, the operations team will review the pricing applicable to the relevant products. Gome Wangjin may reject new requests for extended warranty services of the relevant products if it reasonably determines that it will not be able to generate reasonable profits from the provision of such extended warranty services.

Based on the foregoing, the Company is of the view that the service fees payable to Gome Wangjin are comparable to the service fees charged by third parties for providing similar services.

The Company understands that certain service fees would be payable by the end customers to the Service Companies upon entering of the Individual Extended Warranty Agreements. The amount of service fees that the Service Companies may charge on the end customers are determined by the Service Companies and may be adjusted by the Service Companies from time to time. The amount may or may not exceed the one-off service fees payable to Gome Wangjin (i.e. the Service Companies may earn a net positive difference if the service fees that they charge on the end customers are higher than the service fees that they pay to Gome Wangjin).

However, the amount of service fees that may be charged by the Service Companies on the end customers is not relevant to the Company for the purposes of determining the one-off service fees receivable by Gome Wangjin under the Extended Warranty Services Cooperation Agreement. From the Company's perspective, the core value of providing the extended warranty services to the GOME Group is to effectively hedge the risks and uncertainties that would otherwise be borne by the GOME Group for offering extended product warranty to its customers, and in return the Group will receive one-off service fees from the GOME Group. It is not the Company's intention to build up its own direct sales channel for offering product warranty services to general retail consumers and to eventually replace the Service Companies in the value chain. Without the cooperation with the GOME Group, the Group would not be able to reach out to the retail customers of the GOME Group directly and offer the extended warranty services to them. The service fees that GOME Group may charge on the end consumers are irrelevant to the Company for the purpose of its pricing policy.

Amendments to Standard Terms and Conditions

The Individual Extended Warranty Agreements will set out certain standard terms and conditions of the extended product warranty including the scope and exclusion of warranty and the procedures for product repair and/or replacement. In the event that the foregoing has to be amended (e.g. where there is a change in the procedures for product repair and/or replacement), the form of the Individual Extended Warranty Agreements may have to be amended. As any changes in those standard terms and conditions may affect the way by which product warranty claims and services would be provided and therefore may affect Gome Wangjin's liabilities and obligations under the Extended Warranty Services Cooperation Agreement, therefore it has been provided that any amendments to the standard terms and conditions would be subject to the prior written approval of Gome Wangjin.

It is expected that any amendments will only affect future Individual Extended Warranty Agreements but not those already signed. Thus, any such amendments will not affect the one-off service fees already received by Gome Wangjin at the relevant time and Gome Wangjin will continue to provide extended warranty services pursuant to the existing Individual Extended Warranty Agreements.

Guiding Principles

Terms of an Individual Extended Warranty Agreement shall be based on normal commercial terms and with reference to the prevailing terms and conditions of other comparable services in the market within the knowledge of the Group. The transactions contemplated thereunder shall be fair and reasonable.

Termination

Gome Wangjin may, at any time during the term of the Extended Warranty Services Cooperation Agreement, terminate the Extended Warranty Services Cooperation Agreement or reject new request(s) for extended warranty services thereunder if Gome Wangjin reasonably determines that Gome Wangjin will not be able to generate reasonable profits from the provision of such extended warranty services (whether due to adjustments of the repairing fees, replacement costs or otherwise), without prejudice to any extended warranty services that Gome Wangjin has already agreed to undertake. In the event of termination of the Extended Warranty Services Cooperation Agreement, Gome Wangjin will continue to provide extended warranty services in respect of the Individual Extended Warranty Agreements which are entered into prior to the termination.

Gome Wangjin is also entitled under the Extended Warranty Services Cooperation Agreement to suspend the performance of its obligations thereunder or designate a third party approved by Tianjin Pengsheng, GOME Steward or GOME-on-line (as the case may be) to perform such obligations in its place from time to time if it reasonably determines that the applicable annual caps as may be announced by the Company for the transactions contemplated thereunder may be exceeded.

EXTENDED WARRANTY REPAIR COOPERATION AGREEMENT

On 3 April 2020, Gome Wangjin entered into the Extended Warranty Repair Cooperation Agreement with Gome Hengyuan (for itself and on behalf of the other Repair Companies), pursuant to which the Repair Companies will provide repairing and replacement services for the electronic products for which Gome Wangjin provides extended warranty services and in return Gome Wangjin will pay repairing fees to the Repair Companies.

The principal terms of the Extended Warranty Repair Cooperation Agreement are as follows:

Date

3 April 2020

Parties

- (1) Gome Wangjin; and
- (2) Gome Hengyuan.

Term

From 3 April 2020 up to and including 31 December 2021 (both days inclusive).

Subject Matter

Pursuant to the Extended Warranty Repair Cooperation Agreement, the Repair Companies will provide repairing and replacement services for the electronic products for which Gome Wangjin provides extended warranty services. In return, Gome Wangjin will pay the Repair Companies repairing fees.

Repairing Fees and Payment

Under the Extended Warranty Repair Cooperation Agreement, the repairing fees are determined with reference to, amongst others:

- (i) for labour costs and other related costs, based on an agreed fee scale as set out in the Extended Warranty Repair Cooperation Agreement which is determined with reference to the prevailing market rates and the rates generally charged by Gome Hengyuan for the provision of similar services to independent third parties in the ordinary course of its business;
- (ii) for spare part costs, the actual costs incurred by the Repair Companies for purchasing the spare parts; and
- (iii) for product replacement costs, the actual cost of the replaced products incurred by the Repair Companies.

The repairing fees payable to the Repairing Companies are within the market price range based on the information available to the Group.

Under the Extended Warranty Repair Cooperation Agreement, the Repair Companies shall provide reports on the repairing services rendered to end customers and their costs incurred from time to time for Gome Wangjin's review and verification. Gome Wangjin shall compile monthly reports containing the details of the repairing services rendered in the preceding month as reported by the Repairing Companies. Within ten (10) business days after both parties have confirmed the contents of a monthly report, the Repairing Companies shall courier a written payment request together with the supporting invoices to Gome Wangjin, who shall settle the repairing fees within thirty (30) business days upon receipt thereof.

If product replacement is necessary, the Repair Companies shall provide the replacement request together with the original product sales invoice and other supporting documents for Gome Wangjin's review and verification, following which the Repair Companies shall procure for the replacement product from the GOME Group and complete the product replacement with the end customer. The actual cost for the replacement product to be supplied by the GOME Group shall not be higher than the retail price as recorded on the sales invoice for the original product that is being replaced. Gome Wangjin shall compile monthly reports containing the details of the product replacements that were approved in the preceding month for verification by the Repair Companies. After verification, the Repair Companies shall provide the invoices for the product replacement costs incurred and the payee details to Gome Wangjin, who shall settle the product replacement costs with the GOME Group within thirty (30) business days upon receipt thereof.

Gome Wangjin shall make available a cash reserve that may be utilized by the Repair Companies to cover the product replacement costs for providing product replacement services during the term of the Extended Warranty Repair Cooperation Agreement. The initial amount of the cash reserve shall be RMB200,000, which may be replenished or adjusted from time to time as may be agreed between Gome Wangjin and Gome Hengyuan with reference to the actual utilisation circumstances and is subject to a cap amount of RMB2,000,000.

Guiding Principles

The transactions contemplated under the Extended Warranty Repair Cooperation Agreement shall be based on normal commercial terms and with reference to the terms and conditions of comparable services offered by Gome Hengyuan to independent third parties with reference to the prevailing terms and conditions of other comparable services in the market within the knowledge of the Group. The transactions contemplated thereunder shall be fair and reasonable.

The engagement of the Repairing Companies for providing repairing services is not exclusive and Gome Wangjin may engage other service provider(s) who can offer competitive services, pricing and/or coverage where appropriate.

Termination

Gome Wangjin is entitled under the Extended Warranty Repair Cooperation Agreement to suspend the performance of its obligations thereunder from time to time if it reasonably determines that the applicable annual caps as may be announced by the Company for the transactions contemplated thereunder may be exceeded.

PROPOSED ANNUAL CAPS AND BASIS OF DETERMINATION

Extended Warranty Services Cooperation Agreement

The proposed annual caps for the service fees that Gome Wangjin will receive under the Extended Warranty Services Cooperation Agreement (excluding value-added tax) are as follows:

For the year ending 31 December	
2020 (Note)	2021
RMB25,000,000	RMB55,000,000

Note: From the date of SGM to 31 December 2020, both days inclusive.

The above proposed annual caps cover all the one-off service fees that may be received by Gome Wangjin under the Extended Warranty Services Cooperation Agreement in the relevant year and are determined principally with reference to the following factors:

- (a) the service fees paid or payable by the GOME Group to service providers for extended warranty services during the two years ended 31 December 2019 which amounted to approximately RMB55,656,000 and RMB48,220,000 respectively based on the information available to the Group;
- (b) the demand from the customers of GOME Group on extended warranty services for electronic products as estimated by the Group based on the information currently available to the Group;

- (c) a buffer to take into account any changes in consumer sentiment and fluctuation in demand for extended warranty services; and
- (d) the assumptions that the SGM will be held no later than 30 June 2020 and the Group will start providing extended warranty services from July 2020.

The Group does not have any historical transaction with the GOME Group that is similar in nature to the proposed transactions under the Extended Warranty Services Cooperation Agreement.

Extended Warranty Repair Cooperation Agreement

The proposed annual caps for the repairing fees that Gome Wangjin will pay under the Extended Warranty Repair Cooperation Agreement are as follows:

For the year ending 31 December	
2020 (Note)	2021
RMB3,000,000	RMB7,000,000

Note: From the date of SGM to 31 December 2020, both days inclusive.

The above proposed annual caps for the repairing fees under the Extended Warranty Repair Cooperation Agreement are determined principally with reference to the following factors:

- (a) the estimated total amount of service fees from extended warranty services that may be provided by the Group to the GOME Group and other potential third parties for the two years ending 31 December 2021 of approximately RMB30 million and RMB70 million respectively, and the management's estimate of the maximum amount of repairing fees and replacement costs that may be incurred for the two years ending 31 December 2021 as a percentage (approximately 10%) of the aforementioned service fees (such percentage has been determined by the management having regard to factors (b) to (e) below);
- (b) the repairing fees and replacement costs incurred by third parties during the two years ended 31 December 2019 for providing extended warranty services in respect of the electronic products sold by the GOME Group in 2018 and 2019 which amounted to approximately RMB75,000 and RMB4,460,000 respectively based on the information available to the Group;
- (c) the number and nature of warranty claims by the customers of GOME Group during the extended warranty period as estimated by the Group based on the information currently available to the Group with a buffer for fluctuations due to unforeseen circumstances;

- (d) Gome Wangjin's maximum liability to potential warranty claim for each electronic product covered under the extended warranty pursuant to the Extended Warranty Services Cooperation Agreement;
- (e) the potential increase in labour, spare parts and other related costs leading to an increase in the repairing fees and replacement costs that may be incurred for providing extended warranty services; and
- (f) the assumptions that the SGM will be held no later than 30 June 2020 and the Group will start providing extended warranty services from July 2020.

The Group does not have any historical transaction with the GOME Group that is similar in nature to the proposed transactions under the Extended Warranty Repair Cooperation Agreement.

INTERNAL CONTROL AND RISK MANAGEMENT

Gome Wangjin intends to purchase appropriate insurance coverage from insurance service provider(s) in the PRC to manage its exposure to potential warranty claims arising from its provision of extended warranty services pursuant to the Extended Warranty Services Cooperation Agreement, such that warranty liabilities in excess of the threshold amounts agreed between the Group and the relevant insurance service provider(s) will be borne by such insurance service provider(s). The Group's management will monitor the Group's exposure to warranty claims and review the sufficiency of insurance coverage from time to time to ensure that the risk is maintained at an acceptable level.

To safeguard the interest of the Group and the Shareholders with respect to the continuing connected transactions contemplated under the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement, the Company has adopted the following internal control measures:

- (a) the relevant management personnel of the Group will closely monitor the transactions in relation to the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement to ensure that the total transaction amount does not exceed the stipulated annual caps. In this connection, sales report (with data of the service fees paid or payable by the GOME Group) and cost report (with data of the repairing fees and replacement costs paid or payable to the GOME Group) will be available on a monthly basis and reviewed by the Company's finance team. By the end of every quarter, a summary report will be sent to the management (i.e. the designated executive Director and/or other senior management). If over 75% of the relevant annual cap has been utilized, the summary report will be delivered to the management on a monthly basis. If over 95% of the relevant annual cap has been utilized, the finance team will immediately notify the designated executive Director;

- (b) prior to approving any amendments to the standard terms and conditions of the Individual Extended Warranty Agreements, the relevant management personnel of the Group shall ensure that the terms are negotiated on an arm's length basis and are normal commercial terms that are no less favourable to the Group than the terms available to the Group for providing similar extended warranty services to independent third parties;
- (c) the relevant management personnel of the Group will conduct checks on a quarterly basis to review and assess whether the transactions contemplated under the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement are conducted in accordance with the terms set out therein, the relevant Individual Extended Warranty Agreement(s) and/or the underlying order(s) for repairing or replacement services, as the case may be;
- (d) the operations team will monitor the repair and replacement costs and ratio on a regular basis with monthly report to the management. If there is any increment over the relevant thresholds in respect of any type of products, the operations team will review the pricing applicable to the relevant products. Gome Wangjin may reject new requests for extended warranty services of the relevant products if it reasonably determines that it will not be able to generate reasonable profits from the provision of such extended warranty services;
- (e) the Company's external auditors will conduct an annual review of the transactions in relation to the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement to ensure the transaction amounts are within the annual caps and the transactions are in accordance with the terms of the Extended Warranty Services Cooperation Agreement, the Extended Warranty Repair Cooperation Agreement, the relevant Individual Extended Warranty Agreement(s) and/or the underlying order(s) for repairing or replacement services, as the case may be; and
- (f) the independent non-executive Directors will conduct annual reviews of the status of the transactions in relation to the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement to ensure that the Group has complied with its internal approval process, the terms of the Extended Warranty Services Cooperation Agreement, the Extended Warranty Repair Cooperation Agreement, the relevant Individual Extended Warranty Agreement(s) and/or the underlying order(s) for repairing or replacement services, as the case may be, and the relevant requirements under the Listing Rules.

The Directors are of the view that the above internal control measures are appropriate in ensuring that the transactions in relation to the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement will be conducted on normal commercial terms, will not be prejudicial to the interests of the Company and its minority Shareholders and in compliance with the relevant requirements under Chapter 14A of the Listing Rules.

REASONS AND BENEFITS

As stated under “Prospects” of the Company’s announcement dated 27 March 2020 in relation to, amongst others, its annual results for the year ended 31 December 2019, in addition to the continued dedication in its existing businesses, the Group plans to further expand its coverage in the financial technology business in the area of “retail + finance”, in order to achieve continuous income growth. The initial scheme is to launch the extended warranty services business through utilising resources such as existing technology systems, information resources, risk management techniques and talent reserves. By expanding into the extended warranty services business, the Group aims at realizing income sources from areas such as risk spread, platform commission income and sharing of financial incomes. The Company believes that the entering into of the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement represent an important milestone in the Group’s plan to implement its strategy as outlined above.

The Company’s management takes the view that the one-off service fees payable to Gome Wangjin can cover the direct costs to be incurred by Gome Wangjin for providing the extended warranty services. In reaching such a view, the management has considered the following: (i) the management’s analysis on the historical data of similar transactions available to the Company, which indicates that the direct costs to be incurred, including the repair and replacement costs and re-insurance costs, could be covered by the one-off service fees based on the historical data, and positive profits and cashflow can be generated for the Group; (ii) the management has performed sampling check on the historical data and made adjustments to the pricing list as appropriate to ensure that a suitable gross profit margin can be achieved; and (iii) given that the key function of risk management can be performed by the Group’s existing team, the Group could utilize its existing resources and expertise in the new business without incurring significant costs for new manpower. The positive profits and cash flow that may be generated for the Group from the business can help further expand the Group’s lending business.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement 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, real estate-backed loan services, personal property pawn loan services, other loans services, financial leasing services, and financial consulting services in the PRC and money lending services in Hong Kong.

Gome Wangjin

Gome Wangjin is a company established in the PRC with limited liability and is wholly-owned by the Company.

Gome Wangjin is principally engaged in the businesses of technology development, technology promotion, technical consultation, technology transfer, technology services and basic software and application services.

Tianjin Pengsheng

Tianjin Pengsheng is a company established in the PRC with limited liability and is a subsidiary of GOME. Tianjin Pengsheng is principally engaged in provision of logistics and procurement services.

GOME Steward

GOME Steward is a company established in the PRC with limited liability and is a subsidiary of GOME. GOME Steward is principally engaged in provision of IT development and services.

GOME-on-line

GOME-on-line is a company established in the PRC with limited liability and is a subsidiary of GOME. GOME-on-line is principally engaged in online retailing of electrical appliances and consumer electronic products, etc.

Gome Hengyuan

Gome Hengyuan is a company established in the PRC with limited liability and is a subsidiary of GOME. Gome Hengyuan is principally engaged in installation, maintenance and sales of home appliances and accessories and provision of warehousing services.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Wong, being the husband of Ms. Du (the controlling shareholder of the Company indirectly holding approximately 61.20% shareholding interest in the Company), is the controlling shareholder of GOME which is the ultimate holding company of the Service Companies and the Repair Companies. As such, each of Tianjin Pengsheng, GOME Steward and GOME-on-line (and the other Service Companies represented by them) and Gome Hengyuan (and the other Repair Companies represented by Gome Hengyuan) is regarded as an associate of Ms. Du, and hence a connected person of the Company. Accordingly, the transactions contemplated under the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Based on the proposed annual caps of the transactions contemplated under the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement and the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the Extended Warranty Services Cooperation Agreement, the Extended Warranty Repair Cooperation Agreement, and the transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Ms. Du is the spouse of Mr. Wong, and Swiree, holding approximately 61.20% of the issued shares in the Company, is wholly-owned by Ms. Du, therefore Swiree is deemed to have material interest in the relevant resolutions for approving the transactions under the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement to be proposed at the SGM and shall abstain from voting on the relevant resolutions at the SGM. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the other Shareholders has a material interest in the relevant resolutions on the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement to be proposed at the SGM and is required to abstain from voting on the relevant resolutions at the SGM.

Ms. Wei Qiuli, a non-executive Director, is a senior management of the GOME Group and is a director of certain subsidiaries of GOME. Ms. Wei is therefore deemed to have material interest in the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement and has abstained from voting on the relevant Board resolutions for approving these agreements and the transactions contemplated thereunder. Save for Ms. Wei, none of the other Directors has a material interest in the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement, and therefore none of the other Directors has abstained from voting on the relevant Board resolutions.

GENERAL

The Company will convene a SGM to seek the Independent Shareholders' approval on, amongst other things, the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement.

An Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Independent Shareholders in connection with the transactions contemplated under the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement and the proposed annual caps thereunder.

Gram Capital Limited has been appointed by the Company as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of transactions contemplated under the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement and the proposed annual caps thereunder.

A circular containing, amongst other things, further information on the transactions contemplated under the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement, a letter from the Independent Board Committee, a letter from the Independent Financial Adviser, notice of SGM and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 31 May 2020 which is more than 15 business days after publication of this announcement as additional time is required to prepare and finalize the information to be included in the circular.

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
“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
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“Extended Warranty Repair Cooperation Agreement”	the extended warranty repair cooperation agreement dated 3 April 2020 entered into between Gome Wangjin and Gome Hengyuan, pursuant to which the Repair Companies will provide repairing and replacement services for the electronic products for which Gome Wangjin provides extended warranty services for a term commencing from 3 April 2020 to 31 December 2021
“Extended Warranty Services Cooperation Agreement”	the extended warranty services cooperation agreement dated 3 April 2020 entered into among Gome Wangjin, Tianjin Pengsheng, GOME Steward and GOME-on-line, pursuant to which Gome Wangjin will provide extended warranty services for certain electronic products sold by the GOME Group for a term commencing from 3 April 2020 to 31 December 2021
“GOME”	GOME Retail Holdings Limited, a company incorporated in Bermuda with limited liability and the issued ordinary shares of which are listed on the main board of the Stock Exchange (stock code: 493)
“GOME Group”	GOME and its subsidiaries
“Gome Hengyuan”	國美恆遠電器維修服務有限公司 (Gome Hengyuan Electrical Appliances Repairing Services Limited*), a company established under the laws of the PRC with limited liability, which is a subsidiary of GOME
“GOME-on-line”	國美在線電子商務有限公司 (GOME-on-line e-Commerce, Ltd.*), a company established under the laws of the PRC with limited liability, which is a subsidiary of GOME
“GOME Steward”	北京國美管家信息技術有限公司 (Beijing GOME Steward IT Co., Ltd.*), a company established under the laws of the PRC with limited liability, which is a subsidiary of GOME
“Gome Wangjin”	國美網金(北京)科技有限公司 (Gome Wangjin (Beijing) Technology Co., Ltd.*,), a company established under the laws of the PRC with limited liability, which is an indirect wholly-owned subsidiary of the Company

“Group”	the Company and its subsidiaries
“Independent Board Committee”	the independent board committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders in respect of the Extended Warranty Services Cooperation Agreement, the Extended Warranty Repair Cooperation Agreement, the respective transactions contemplated thereunder and the proposed annual caps for those transactions
“Independent Financial Adviser”	Gram Capital Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Extended Warranty Services Cooperation Agreement, the Extended Warranty Repair Cooperation Agreement, the respective transactions contemplated thereunder and the proposed annual caps for those transactions
“Independent Shareholders”	all Shareholders other than the Shareholders with a material interest in the transactions contemplated under the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong Kwong Yu (黃光裕先生), the husband of Ms. Du
“Ms. Du”	Ms. Du Juan (杜鵑女士), the controlling shareholder of the Company holding approximately 61.20% interest in the issued share capital of the Company
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Repair Companies”	Gome Hengyuan and the companies represented by Gome Hengyuan under the Extended Warranty Repair Cooperation Agreement

“RMB”	Renminbi, the lawful currency of the PRC
“Service Companies”	Tianjin Pengsheng, GOME Steward and GOME-on-line and the companies represented by them under the Extended Warranty Services Cooperation Agreement
“SGM”	the special general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Extended Warranty Services Cooperation Agreement and the Extended Warranty Repair Cooperation Agreement, the transactions contemplated thereunder and the proposed annual caps for those transactions
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Swiree”	Swiree Capital Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Ms. Du
“Tianjin Pengsheng”	天津鹏盛物流有限公司 (Tianjin Pengsheng Logistics Co., Ltd.*), a company established under the laws of the PRC with limited liability, which is a subsidiary of GOME
“%”	per cent.

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

Hong Kong, 3 April 2020

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. Cao Dakuan, Mr. Hung Ka Hai Clement and Mr. Wan Jianhua.

* *for identification purpose only*