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Futong Technology Development Holdings Limited

富通科技發展控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock code: 465)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCT

On 10 January 2022, Futong Dongfang subscribed for the Wealth Management Product in a principal amount of RMB35 million offered by Bank of Beijing.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable ratio of the subscription of the Wealth Management Product exceeds 5% but is less than 25%, the subscription of the Wealth Management Product constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

SUBSCRIPTION OF THE WEALTH MANAGEMENT PRODUCT

The Board announces that on 10 January 2022, Futong Dongfang subscribed for the Wealth Management Product in a principal amount of RMB35 million offered by Bank of Beijing. The subscription of the Wealth Management Product was funded by internally generated fund. The major terms of the subscription agreement are set out as follows:

Date of subscription	10 January 2022
Name of product	Bank of Beijing Xinxi Series RMB Jinghuayuanjian 1 Wealth Management Plan* (北京銀行心喜系列人民幣京華遠見第1期理財管理計劃)

Parties	(1) Futong Dongfang; and (2) Bank of Beijing
Principal subscription amount	RMB35,000,000
Term of investment	No fixed maturity period [#]
	[#] Investors can apply for redemption of Wealth Management Product within 5 business days before or on the 15th of January, April, July and October. Bank of Beijing has a right to prematurely terminate the Wealth Management Product.
Type of product and risk rating	The product is non-principal guaranteed with floating return and is regarded as a stable-type product by Bank of Beijing.
Investment scope:	Not less than 80% of the fund raised from the Wealth Management Product will be invested in fixed income assets, including currency market instruments, standardised and non-standardised debt assets. The remaining fund raised will be invested in equity assets.
Expected annual return rate	3.1% - 3.7%

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF THE WEALTH MANAGEMENT PRODUCT

The Directors are of the view that (i) the subscription of the Wealth Management Product provides the Group with better return than fixed deposits generally offered by commercial banks in the PRC; (ii) the subscription of the Wealth Management Product was funded by the Group's surplus cash reserves, and thus would not affect the Group's working capital position or operation; and (iii) appropriate wealth management with low risk exposure is conducive to enhancing the utilization of capital and increasing income from idle funds. Accordingly, the Directors consider that the subscription of the Wealth Management Product is on normal commercial terms which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Prior to making an investment, the Group would ensure that there remains sufficient working capital for the Group's business needs, operating activities and capital expenditures. Taking into consideration the nature of the Wealth Management Product and the relatively high credit rating of their underlying assets, the Company considers that the risk level of the subscription of the Wealth Management Product is in line with the internal investment policies of the Group. The Company will monitor and manage the subscription closely and effectively. In accordance with the relevant accounting standards, the Wealth Management Product is accounted for as financial assets at fair value through profit and loss.

IMPLICATION UNDER THE LISTING RULES

As the highest applicable ratio of the subscription of the Wealth Management Product exceeds 5% but is less than 25%, the subscription of the Wealth Management Product constitutes a disclosable transaction of the Company under Chapter 14 of the Listing Rules.

INFORMATION ON THE GROUP AND FUTONG DONGFANG

The Group is a leading enterprise digital transformation services provider in the PRC. The Group specialises in providing enterprise IT infrastructure products, services and solutions, cloud computing products and intelligent digitalised application products.

Futong Dongfang is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. It is principally engaged in providing enterprise IT infrastructure products, services and solutions.

INFORMATION ON BANK OF BEIJING

Bank of Beijing is a commercial bank established in the PRC with the approval of the China Banking and Insurance Regulatory Commission, which provides corporate and personal banking business, treasury business, finance leasing, asset management and other financial services in the PRC. Its shares are listed on the Shanghai Stock Exchange (stock code: 601169).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry and based on the public information available to the Company, Bank of Beijing and its ultimate beneficial owners are third parties independent from each of the Group and its connected persons.

DEFINITIONS

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

“Bank of Beijing”	Bank of Beijing Co., Ltd.* (北京銀行股份有限公司)
“Board”	the board of Directors
“Company”	Futong Technology Development Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on the Stock Exchange
“Directors”	the directors of the Company

“Futong Dongfang”	Beijing Futong Dongfang Technology Co., Ltd.* (北京富通東方科技有限公司), a company incorporated in the PRC with limited liability on 4 December 2003 and an indirect wholly-owned subsidiary of the Company
“Group”	collectively, the Company and its subsidiaries
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wealth Management Product”	Bank of Beijing Xinxī Series RMB Jinghuayuanjian 1 Wealth Management Plan* (北京銀行心喜系列人民幣京華遠見第1期理財管理計劃) (C1080213A001605) offered by Bank of Beijing, details of which are set out in this announcement
“%”	per cent

By order of the Board
Futong Technology Development Holdings Limited
Chen Jian
Executive Director

Hong Kong, 10 January 2022

As at the date of this announcement, the executive Director is Mr. CHEN Jian, the non-executive Director is Ms. CHEN Jing; and the independent non-executive Directors are Mr. Chow Siu Lui, Mr. LO Kwok Kwei David and Mr. YAO Yun.

** For identification purpose only*