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Duiba Group

兑吧集团

DUIBA GROUP LIMITED

兑吧集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1753)

**(1) MAJOR TRANSACTION AND DISCLOSEABLE
TRANSACTIONS IN RELATION TO
SUBSCRIPTION OF WEALTH
MANAGEMENT PRODUCTS; AND
(2) SUPPLEMENTAL ANNOUNCEMENT IN RELATION
TO THE ANNUAL REPORT OF THE COMPANY FOR
THE YEAR ENDED 31 DECEMBER 2021**

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

The Board announces that as at the date of this announcement, the Group had, among others, subscribed for the HXB Wealth Management Products, the CMBI Wealth Management Products and the Huatai Wealth Management Products offered by HXB, CMBI and Huatai Securities, respectively.

IMPLICATIONS OF THE LISTING RULES

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the subscription of one of the CMBI Wealth Management Products in May 2019 exceeded 25% but all of them were less than 100%, the subscription of such relevant CMBI Wealth Management Product constituted a major transaction of the Company and should have been subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, as at the date of this announcement, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the subscriptions of (i) the HXB Wealth Management Products, (ii) the CMBI Wealth Management Products and (iii) the Huatai Wealth Management Products, on a standalone basis or when aggregated with the amount of the wealth management products outstanding with HXB and Huatai Securities (as the case may be), exceeded 5% but all of them were less than 25%, subscriptions of (i) the HXB Wealth Management Products, (ii) the CMBI Wealth Management Products and (iii) the Huatai Wealth Management Products constituted five discloseable transactions of the Company and should have been subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

Following the listing of the Company in May 2019, the Group came into possession of a significant amount of cash from the IPO proceeds. Consistent with the Group's adopted treasury management policy and to better utilize the surplus cash reserves, the Group placed some of the cash in various wealth management products which generally bear low risk exposure with banks and licensed financial institutions as this generally generates better return for the funds otherwise sitting idle in the bank and yet it provides sufficient protection. The subscriptions of the Wealth Management Products were conducted in accordance with the Group's treasury policy, which was disclosed in the Company's prospectus dated 24 April 2019, and the financial assets acquired or held by the Group are generally liquid and short-term in nature. As such, the Company did not realize that the subscriptions of the Wealth Management Products would have implications under Chapter 14 of the Listing Rules. Moreover, after the publication of the Announcement of the Company dated 15 October 2019 on the discloseable transactions in respect of the subscription of certain wealth management products from HXB and CMBI with no fixed term in the subscription amount of RMB250 million and US\$21 million, respectively (i.e. the Disclosed Wealth Management Products), with the mistaken beliefs that no further announcement is required as the HXB Wealth Management Products and the CMBI Wealth Management Products were generally subscribed to renew or replace the Disclosed Wealth Management Products offered by HXB and CMBI upon maturity and were similar in nature to the Disclosed Wealth Management Products as disclosed in the Announcement, the Company failed to comply with the applicable reporting and announcement requirements under Chapter 14 of the Listing Rules in respect of the relevant subscriptions of the HXB Wealth Management Products and the CMBI Wealth Management Product. Regrettably, the Company acknowledges that such compliance with the Listing Rules has been delayed due to its misunderstanding and unintentional oversight over the subscriptions of the Wealth Management Products.

Notwithstanding that the subscription of the relevant CMBI Wealth Management Product conducted shortly after the listing in May 2019 constituted a major transaction and was subject to the Shareholders' approval requirement as set out above, considering that all outstanding amount of such relevant CMBI Wealth Management Product has been redeemed as of the date of this announcement, the Company considers that it might not be meaningful to seek Shareholders' approval for the redeemed wealth management product and therefore does not intend to despatch any circular or convene any general meeting of the Company for the purpose of approving or ratifying the subscription of the relevant CMBI Wealth Management Product which constituted a major transaction conducted in May 2019.

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2021

Reference is made to the 2021 Annual Report of the Company for the year ended 31 December 2021 published on the websites of the Stock Exchange and the Company on 25 April 2022.

In addition to the information provided in the 2021 Annual Report, the Company would like to provide the Shareholders and potential investors of the Company with additional information pursuant to paragraphs 32(4) and 32(4A) of Appendix 16 to the Listing Rules under the paragraph headed "Material Acquisitions, Disposals and Significant Investment" under the section headed "Management Discussion and Analysis" of the 2021 Annual Report.

SUBSCRIPTION OF WEALTH MANAGEMENT PRODUCTS

The Board announces that as at the date of this announcement, the Group had, among others, subscribed for the HXB Wealth Management Products, the CMBI Wealth Management Product and the Huatai Wealth Management Products offered by HXB, CMBI and Huatai Securities, respectively. The principal terms of the Subscriptions which constituted a major transaction and five discloseable transactions are set out as follows.

(1) HXB Wealth Management Products

No.	Name of Product	Principal amount of subscription (RMB)	Subscription date	Redemption date/ Maturity date	Type of return	Actual annualised rate of return	Investment scope
1.	Bubu Zeng Ying An Xin Ban	30,000,000	7 May 2019	10 June 2019	Open-end, redeemable, non-principal protected with variable return	3.76%	Note (1)
2.	Huiying structured deposit (RMB)	50,000,000	8 May 2019	10 June 2019	Principal protected with variable return	3.43%	Structured deposit
3.	Bubu Zeng Ying An Xin Ban	110,000,000	27 May 2019	19 August 2019	Open-end, redeemable, non-principal protected with variable return	4.1%	Note (1)
4.	Bubu Zeng Ying An Xin Ban	100,000,000	10 June 2020	24 March 2021	Open-end, redeemable, non-principal protected with variable return	4.09%	Note (1)

Notes:

- (1) The relevant wealth management products invest mainly in currency market, bonds, non-standardised debt assets and others.

(2) CMBI Wealth Management Products

No.	Name of Product	Principal amount of subscription (US\$)	Subscription date	Redemption date/ Maturity date	Type of return	Actual annualised rate of return	Investment scope
1.	E Fund US Dollar Money Market Fund	70,028,600	20 May 2019	23 August 2019	Open-end, redeemable, non-principal protected unit trust fund managed by a third party	0.4%	Note (1)
2.	E Fund US Dollar Money Market Fund	13,000,000	15 September 2020	24 Mar 2022	Open-end, redeemable, non-principal protected unit trust fund managed by a third party	0.4%	Note (1)
3.	E Fund US Dollar Money Market Fund	25,000,000	1 June 2021	5 August 2022	Open-end, redeemable, non-principal protected unit trust fund managed by a third party	0.4%	Note (1)

Note:

- (1) The relevant financial product primarily invests (i.e. not less than 70% of its net asset value) in US Dollars-denominated and settled short-term deposits and debt securities issued by governments, quasi-governments, international organisations and financial institutions. The fund may invest up to 30% of its net asset value in non US Dollars-denominated deposits and debt securities.

(3) Huatai Wealth Management Products

No.	Name of Product	Principal amount of subscription (RMB)	Subscription date	Redemption date/ Maturity date	Type of return	Actual annualised rate of return	Investment scope
1.	AVIC Trust Huiyun No.1 phase 2	50,000,000	25 June 2019	10 August 2019	Closed-end, redeemable, non-principal protected with fixed income	4.50%	Note (1)
2.	Yue Yue You Xian No.940232	187,908	26 June 2019	26 June 2019	Closed-end, redeemable, non-principal protected with fixed income	4.04%	Note (2)
3.	Zhuan Xiang No.1 X26	20,000,000	17 July 2019	22 October 2019	Closed-end, redeemable, non-principal protected with fixed income	4.40%	Note (3)
4.	Huatai Zijin Currency Enhancement A	5,000,000	29 July 2019	30 October 2019	Open-end, redeemable, non-principal protected with variable return	3.80%	Note (4)

Notes:

- (1) The relevant wealth management products invest mainly in credit assets.
- (2) The relevant wealth management products invest mainly in bonds (hybrid bond).
- (3) The relevant wealth management products invest mainly in cash and fixed income investment products.
- (4) The relevant wealth management products invest mainly in cash and fixed income investment products and over-the-counter option premium.

BASIS OF DETERMINATION FOR THE CONSIDERATION

The Directors confirmed that the subscription amount and terms of each of the Wealth Management Products were determined on the commercial terms after arm's length negotiation between the Group and each of HXB, CMBI and Huatai Securities (as the case may be) having taken into account (i) the then financial status of the Group; (ii) the expected investment return and terms of the Wealth Management Products; and (iii) the expected annualised rate of return of the Wealth Management Products.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS OF THE WEALTH MANAGEMENT PRODUCTS

The Subscriptions were made for treasury management purpose to maximise return on capital reserves generated from the Group's initial public offering on the Stock Exchange and its business operations as set forth in the annual reports of the Group for the two years ended 31 December 2021 published on 26 April 2021 and 25 April 2022, respectively.

Taking into account (i) the benefits of a better yield through the Subscriptions than current saving or time deposits generally offered by reputable commercial banks in the PRC; (ii) the risk nature and relatively short term of maturity of the Wealth Management Products; and (iii) that the Subscriptions were funded by internal idle funds which would not affect the sufficiency of working capital of the Group nor hinder the operation of the Group's businesses, the Directors are of the view that the terms and conditions of the Wealth Management Products are fair and reasonable and the Subscriptions were in the interest of the Group and its Shareholders as a whole.

INFORMATION ABOUT THE GROUP AND THE PARTIES

The Group

The Company is a leading user management SaaS service provider and interactive advertising operator in China. It provides full-cycle operation services in user acquisition, activity retention and monetization for tens of thousands of customers in financial, Internet and other industries.

CMBI

To the best knowledge of the Directors, CMBI is a licensed corporation under the SFO for type 1 (dealing in securities) and type 4 (advising on securities) regulated activities as defined under SFO.

HXB

To the best knowledge of the Directors, HXB is a licensed bank established under the laws of the PRC, which is principally engaged in the provision of banking and related financial services, shares of which are listed on the Shanghai stock exchange (stock code: 600015).

Huatai Securities

To the best knowledge of the Directors, Huatai Securities is a joint stock company incorporated under the laws of the PRC, which is principally engaged in the provision of securities services, shares of which are listed on the Stock Exchange (stock code: 6886) and Shanghai stock exchange (stock code: 601688).

To the best knowledge, information and belief of the Directors having made all reasonable enquiry, each of CMBI, HXB and Huatai Securities and their respective ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

IMPLICATIONS OF THE LISTING RULES

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the subscription of one of the CMBI Wealth Management Products in May 2019 exceeded 25% but all of them were less than 100%, the subscription of such relevant CMBI Wealth Management Product constituted a major transaction of the Company and should have been subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

In addition, as at the date of this announcement, as one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the subscriptions of (i) the HXB Wealth Management Products, (ii) the CMBI Wealth Management Products and (iii) the Huatai Wealth Management Products, on a standalone basis or when aggregated with the amount of the wealth management products outstanding with HXB and Huatai Securities (as the case may be), exceeded 5% but all of them were less than 25%, subscriptions of (i) the HXB Wealth Management Products, (ii) the CMBI Wealth Management Products and (iii) the Huatai Wealth Management Products constituted five discloseable transactions of the Company and should have been subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

Following the listing of the Company in May 2019, the Group came into possession of a significant amount of cash from the IPO proceeds. Consistent with the Group's adopted treasury management policy and to better utilize the surplus cash reserves, the Group placed some of the cash in various wealth management products which generally bear low risk exposure with banks and licensed financial institutions as this generally generates better return for the funds otherwise sitting idle in the bank and yet it provides sufficient protection. The subscriptions of the Wealth Management Products were conducted in accordance with the Group's treasury policy, which was disclosed in the Company's prospectus dated 24 April 2019, and the financial assets acquired or held by the Group are generally liquid and short-term in nature. As such, the Company did not realize that the subscriptions of the Wealth Management Products would have implications under Chapter 14 of the Listing Rules. Moreover, after the publication of the Announcement of the Company dated 15 October 2019 on the discloseable transactions in respect of the subscription of certain wealth management products from HXB and CMBI with no fixed term in the subscription amount of RMB250 million and US\$21 million, respectively (i.e. the Disclosed Wealth Management Products), with the mistaken beliefs that no further announcement is required as the HXB Wealth Management Products and the CMBI Wealth Management Products were generally subscribed to renew or replace the Disclosed Wealth Management Products offered by HXB and CMBI upon maturity and were similar in nature to the Disclosed Wealth Management Products as disclosed in the Announcement, the Company failed to comply with the applicable reporting and announcement requirements under Chapter 14 of the Listing Rules in respect of the relevant subscriptions of the HXB Wealth Management Products and the CMBI Wealth Management Product. Regrettably, the Company acknowledges that such compliance with the Listing Rules has been delayed due to its misunderstanding and unintentional oversight over the subscriptions of the Wealth Management Products.

Notwithstanding that the subscription of the relevant CMBI Wealth Management Product conducted shortly after the listing in May 2019 constituted a major transaction and was subject to the Shareholders' approval requirement as set out above, considering that all outstanding amount of such relevant CMBI Wealth Management Product has been redeemed as of the date of this announcement, the Company considers that it might not be meaningful to seek Shareholders' approval for the redeemed wealth management product and therefore does not intend to despatch any circular or convene any general meeting of the Company for the purpose of approving or ratifying the subscription of the relevant CMBI Wealth Management Product which constituted a major transaction conducted in May 2019.

RATIFICATION AND REMEDIAL ACTIONS TO BE TAKEN BY THE COMPANY

The Company deeply regrets its non-compliance with the Listing Rules (the “**Non-compliance**”) but the Company would like to stress that the Non-compliance was inadvertent and the Company had no intention to withhold any information relating to the subscriptions of the Wealth Management Products from disclosure.

To prevent the recurrence of similar incidents in the future, the Group has reviewed its internal regulations and procedures and has taken the following remedial actions:

1. adopt procedures which require the business and finance departments of the Group to report to the Group's management in respect of proposed transactions or events involving potential investments;
2. improve the coordination and reporting arrangements between different departments of the Group in respect of requirements under the Listing Rules that may be relevant to the Group and monitor the Group's on-going compliance with the Listing Rules; and
3. consult external legal or other professional parties prior to any proposed transactions or events so as to ensure that the Directors' apprehension and interpretation of the Listing Rules are correct and the Group timely complies with the relevant requirements under the Listing Rules.

Going forward, the Company will continue to comply with the procedures of its subscription for wealth management products and make appropriate disclosure in a timely manner to ensure compliance with the Listing Rules.

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT OF THE COMPANY FOR THE YEAR ENDED 31 DECEMBER 2021

Reference is made to the 2021 Annual Report of the Company for the year ended 31 December 2021 published on the websites of the Stock Exchange and the Company on 25 April 2022.

In addition to the information provided in the 2021 Annual Report, the Company would like to provide the Shareholders and potential investors of the Company with additional information pursuant to paragraphs 32(4) and 32(4A) of Appendix 16 to the Listing Rules under the paragraph headed “Material Acquisitions, Disposals and Significant Investment” under the section headed “Management Discussion and Analysis” of the 2021 Annual Report.

As at 31 December 2021, the Group recorded financial assets at fair value through profit or loss (“**FVTPL**”) amounting to approximately RMB958 million (31 December 2020: RMB1,147 million), representing approximately 61.2% of the total assets of the Company as at 31 December 2021, which included investment funds, unlisted equity investment and wealth management products. For the year ended 31 December 2021, the Group recorded net gain of approximately RMB14.9 million (for the year ended 31 December 2020, the Group recorded net loss of approximately RMB7.6 million) on the financial assets at FVTPL.

Among the financial assets at FVTPL of RMB958 million, the fair value of the CMBI US Dollar Money Market Product offered by CMB International Securities Limited (“**CMBI Product**”) was approximately US\$49.3 million (equivalent to approximately RMB314.4 million), representing approximately 20.1% of the total assets of the Company as at 31 December 2021. The Group recorded a gain in fair value of CMBI Product of approximately US\$126,218 (equivalent to approximately RMB804,729) from the investment in the CMBI Product for the year ended 31 December 2021. The CMBI Product primarily invests (i.e. not less than 70% of its net asset value) in US Dollars-denominated and settled short-term deposits and debt securities issued by governments, quasi-governments, international organisations and financial institutions, and may invest up to 30% of its net asset value in non US Dollars-denominated deposits and debt securities. As at the date of this announcement, the entire principal amount subscribed for the CMBI Product has been fully redeemed.

The investments in wealth management products under financial assets at FVTPL were made for treasury management purpose to maximise return on idle funds the Group received from its business operations for the year ended 31 December 2021.

The Group considers that, save for the investments in the CMBI Product set out above and the equity interest held in Gushang Intelligent Technology Co., Ltd.* (浙江谷尚智能科技有限公司) as disclosed in the 2021 Annual Report, no other single investment that was designated as financial assets at FVTPL in the Group’s investment portfolio is a significant investment as none of such investment has a carrying amount that accounts for 5% or more of the Group’s total assets as at 31 December 2021.

Save as disclosed in this announcement, all other information in the 2021 Annual Report remains unchanged.

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the meanings below in this announcement:

“2021 Annual Report”	the annual report of the Company for the year ended 31 December 2021 published on the websites of the Stock Exchange and the Company on 25 April 2022
“Announcement”	the announcement of the Company dated 15 October 2019 in respect of subscription of certain wealth management products offered by HXB and CMBI
“Board”	the board of Directors
“CMBI”	CMB International Securities Limited, a company incorporated under the laws of Hong Kong and a licensed corporation under the SFO for type 1 (dealing in securities) and type 4 (advising on securities) regulated activities as defined under the SFO
“CMBI Wealth Management Products”	certain wealth management products offered by CMBI and subscribed by the Group, the details of which are set out in this announcement
“Company”	Duiba Group Limited, an exempted company incorporated in the Cayman Islands and whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disclosed CMBI Wealth Management Product”	the wealth management product offered by CMBI and subscribed by the Group on 15 October 2019, the details of which are set out in the Announcement
“Disclosed HXB Wealth Management Product”	the wealth management product offered by HXB and subscribed by the Group on 15 October 2019, the details of which are set out in the Announcement
“Disclosed Wealth Management Products”	the Disclosed HXB Wealth Management Product and the Disclosed CMBI Wealth Management Product

“Group”	the Company, its subsidiaries and its consolidated affiliated entities from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huatai Securities”	HTSC (incorporated in the PRC under Chinese corporate name 華泰證券股份有限公司 and carrying on business in Hong Kong as HTSC), a joint stock company established under the laws of the PRC with its shares listed on the Stock Exchange (stock code: 6886) and the Shanghai Stock Exchange (stock code: 601688)
“Huatai Wealth Management Products”	certain wealth management products offered by Huatai Securities and subscribed by the Group, the details of which are set out in this announcement
“HXB”	Huaxia Bank Co., Ltd.* (華夏銀行股份有限公司), a licensed bank established under the laws of the PRC with its shares listed on the Shanghai Stock Exchange (stock code: 600015)
“HXB Wealth Management Products”	certain wealth management products offered by HXB and subscribed by the Group, the details of which are set out in this announcement
“Independent Third Party”	the independent third party who is, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, independent of and not connected with the Company and the connected person(s) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of PRC
“SFO”	Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of USD0.00001 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s) from time to time

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription(s)”	subscription(s) of the Wealth Management Products
“subsidiary/(ies)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“Wealth Management Products”	means (i) the HXB Wealth Management Products, (ii) the CMBI Wealth Management Products and (iii) Huatai Wealth Management Products
“%”	per cent

For illustration purposes, amounts in US\$ in this announcement have been translated into RMB at an exchange rate of US\$1 = RMB6.376. Such translations should not be construed as a representation that any amount in question in US\$ or RMB has been or could have been or may be converted at such a rate or at any other rates.

On behalf of the Board
Duiba Group Limited
Chen Xiaoliang
Chairman

Hong Kong, 3 March 2023

As at the date of this announcement, the Board consists of Mr. Chen Xiaoliang, Mr. Zhu Jiangbo, Mr. Cheng Peng and Ms. Li Chunting as executive Directors, and Mr. Kam Wai Man, Dr. Gao Fuping and Dr. Shi Jianxun as independent non-executive Directors.