

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **Gala Technology Holding Limited**

### **望塵科技控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2458)**

## **DISCLOSEABLE TRANSACTION INVESTMENT OF WEALTH MANAGEMENT PRODUCTS**

### **INVESTMENT OF THE CMB WEALTH MANAGEMENT PRODUCTS**

During the Relevant Period, Shenzhen Wangchen Moji (an indirect wholly-owned subsidiary of the Company) and Shenzhen Moji (a PRC operating entity of the Company), invested in the CMB Wealth Management Products in the highest aggregate outstanding principal amount of RMB21.5 million, which were subsequently redeemed in full as at 30 June 2023.

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Investment exceeds 5% but is below than 25%, the Investment constituted discloseable transactions of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **BACKGROUND**

During the Relevant Period, Shenzhen Wangchen Moji (an indirect wholly-owned subsidiary of the Company) and Shenzhen Moji (a PRC operating entity of the Company), invested in the CMB Wealth Management Products in the highest aggregate outstanding principal amount of RMB21.5 million.

## THE CMB WEALTH MANAGEMENT PRODUCTS

The CMB Wealth Management Product A and the CMB Wealth Management Product B are essentially the same and the principal terms of the investment of the CMB Wealth Management Products are set out as follows:

<b>Issuer:</b>	CMB Wealth Management
<b>Type of investment return:</b>	Non-principal guaranteed with floating return
<b>Term:</b>	No fixed term. The subscriber has the right of early termination or redemption
<b>Actual rate of return:</b>	Ranging between 2.10% and 2.22% per annum
<b>Risk level of product (internal risk assessment by the issuer):</b>	Lower-level risk
<b>Portfolio of investment:</b>	100% in cash, bank deposits, bond repurchase, central bank bills, interbank certificates of deposit, bonds, asset-backed securities, and other money market instruments with good liquidity recognised by the Bank Insurance Regulatory Commission and the People's Bank of China

The Group purchased the CMB Wealth Management Products during the Relevant Period as follows:

<b>Product</b>	<b>Purchase date(s)</b>	<b>Total investment amount</b>
CMB Wealth Management Product A	12 January 2023, 22 February 2023, 4 April 2023 and 7 April 2023	RMB24 million
CMB Wealth Management Product B	12 January 2023, 22 February 2023, 14 March 2023 and 4 April 2023	RMB23 million

The CMB Wealth Management Products purchased by the Group were redeemed from time to time during the Relevant Period. During the Relevant Period, the highest aggregate outstanding balance of the CMB Wealth Management Products amounted to RMB21.5 million, which was during the period between 7 April 2023 and 15 May 2023 (both days inclusive). All of the CMB Wealth Management Products purchased during the Relevant Period were subsequently redeemed in full as at 30 June 2023. The interest

income and fair value gain realised from the redemption in aggregate were RMB133,799.15. The gain is calculated mainly with reference to prices of acquisition and redemption of the wealth management products during the Relevant Period.

### **BASIS OF DETERMINATION OF THE INVESTMENT AMOUNTS**

The investment amounts of the CMB Wealth Management Products were determined by the Group having taken into account (i) the then surplus cash reserve resources of the Group available for the purpose of cash and treasury management; (ii) the risk level, the expected investment return and the terms of the CMB Wealth Management Products; and (iii) the expected rates of return of time deposits and similar wealth management and structured deposit products offered by other comparable banks then available in the market.

### **REASONS FOR AND BENEFITS OF THE INVESTMENT**

The Board believed that the Investment was reasonable and served as an effective means to utilise the surplus cash reserve resources of the Group and generate satisfactory capital gain for the Group. The risk level associated with the CMB Wealth Management Products was low, while also providing the Group with better return as compared to fixed deposits generally offered by commercial banks in the PRC. The Investment was funded by the Group's surplus cash reserves from its business operations, and the Group had adequate internal control procedures in place to ensure that the Investment would not affect the Group's working capital position or business operations.

In light of the above, the Directors consider that the terms of Investment are fair and reasonable, on normal commercial terms, and are in the interests of the Company and its shareholders as a whole.

### **INFORMATION OF THE PARTIES INVOLVED**

The Company is an investment holding company and the Group is principally engaged in mobile sports game development, publishing and operation in the PRC.

Shenzhen Wangchen Moji was incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. Shenzhen Wangchen Moji is principally engaged in the provision of technical support, consulting and other services.

Shenzhen Moji was incorporated in the PRC with limited liability and is a PRC operating entity of the Company. Shenzhen Moji is principally engaged in publication and operation of games through mobile apps.

CMB Wealth Management was incorporated in the PRC with limited liability and is principally engaged in asset management. As at the date of this announcement, based on public information available, CMB Wealth Management is a non-wholly owned subsidiary of China Merchants Bank Co., Ltd., a joint stock company incorporated in the PRC with limited liability principally engaged in banking and related financial services and the H shares of which are listed on the Main Board of the Stock Exchange (stock code: 3968).

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, CMB Wealth Management and its ultimate beneficial controlling shareholder, China Merchants Bank Co., Ltd. are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Investment exceeds 5% but is below than 25%, the Investment constituted discloseable transactions of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Due to unintentional and inadvertent oversight, the Company's compliance with such Listing Rules requirements was delayed. In order to ensure timely compliance with the Listing Rules in the future, the Company has promptly adopted the following remedial measures:

- (1) the Company has conducted a comprehensive review of all acquisitions and disposals of financial assets by the Group during the Relevant Period and formulated an enhanced reporting and disclosure mechanism in order to strengthen the coordination and reporting arrangements in relation to notifiable transactions, for example, the Company has assigned designated personnel to check compliance requirements under the Listing Rules every time when there is a potential notifiable transaction, and to promptly report the relevant findings to its in-house compliance department, before entering into any binding agreement. In case of doubt, the in-house compliance department should submit the matter to Directors for further consideration and should seek legal advice if necessary. The Company will strictly monitor the compliance of this mechanism by its employees;

- (2) with the assistance of the compliance advisor and external legal advisors, the Company has reminded its responsible personnel, senior management and Directors of the requirements under the Listing Rules and will circulate specific guidelines on notifiable transactions under the Listing Rules, and the Company will also provide more regular trainings to the responsible personnel, senior management and Directors to enhance and strengthen their knowledge of the Listing Rules, in particular in respect of notifiable transactions, and their ability to identify potential compliance requirements prior to entering into each transaction; and
- (3) the Company will enhance the communications with its compliance adviser and external legal advisers. When the Company identifies a potential notifiable transaction, it will seek advice from its compliance adviser and external legal advisers at the earliest opportunity and in any event before entering into any binding agreement.

Going forward, the Company will continue to comply with the internal control procedures regarding its investments on wealth management products and undertake such measures in a timely manner to ensure compliance with the Listing Rules.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the meanings set out below:

“Board”	the board of Directors
“CMB Wealth Management”	CMB Wealth Management Co., Ltd. (招銀理財有限責任公司)
“CMB Wealth Management Product A”	wealth management product known as 招銀理財招贏日日鑫現金管理類理財計劃(代碼：80008) issued by CMB Wealth Management
“CMB Wealth Management Product B”	wealth management product known as 招銀理財招贏朝招金多元穩健型現金管理類理財計劃(代碼：7007) issued by CMB Wealth Management
“CMB Wealth Management Products”	CMB Wealth Management Product A and CMB Wealth Management Product B
“Company”	Gala Technology Holding Limited, a company incorporated in the Cayman Islands with limited liability, and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2458)
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Investment”	the purchase of the CMB Wealth Management Products during the Relevant Period by Shenzhen Wangchen Moji and Shenzhen Moji
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“PRC”	the People’s Republic of China
“Relevant Period”	the six months ended 30 June 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Shenzhen Moji”	深圳市莫及科技有限公司 (Shenzhen Moji Technology Co., Ltd.), a PRC operating entity of the Company
“Shenzhen Wangchen Moji”	深圳市望塵莫及科技有限公司 (Shenzhen Wangchen Moji Technology Co., Ltd.), an indirect wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board  
**Gala Technology Holding Limited**  
**Jia Xiaodong**

*Executive Director, Chairman and Chief Executive Officer*

Hong Kong, 8 September 2023

*As at the date of this announcement, the executive Directors are Mr. Jia Xiaodong (Chairman and Chief Executive Officer), Mr. Huang Xiang and Mr. Li Xin; and the independent non-executive Directors are Mr. Zhan Peixun, Mr. Leung Ming Shu and Ms. Chak Hoi Kee Clara.*