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## **GoFintech Innovation Limited** **國富創新有限公司**

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

**(Stock Code: 290)**

Website: <http://www.290.com.hk>

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE CONNECTED TRANSACTION ACQUISITION OF EQUITY INTERESTS IN THE TARGET FUND**

Reference is made to the announcement (the “**Announcement**”) of GoFintech Innovation Limited dated 4 September 2023 in relation to the Acquisition of the Acquisition Units in the Target Fund. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

In addition to the information provided in the Announcement, the Board would like to provide the following supplemental information relating to the Acquisition.

#### **THE UNIT TRANSFER AGREEMENT**

##### **Acquisition Consideration**

As disclosed in the Announcement, the Acquisition Consideration is US\$1,600,000.00 (equivalent to approximately HK\$12,480,000.00).

The Acquisition Consideration were determined and agreed between the parties to the Unit Transfer Agreement after arm’s length negotiations and taking into account of the following:

- (i) the net asset value of the Acquisition Units in the amount of approximately US\$2,080,000.00, which was based on the investment valuation report provided by the administrator of the Target Fund, and given the stock of SEBA Bank AG (the “**Underlying SEBA Stock**”) is the sole underlying asset invested by the Acquisition Units, the assessment of the above value regarding the Acquisition Units was based on the market value of the Underlying SEBA Stock. The Acquisition Consideration reflects an approximately 23.07% discount to the net asset value of the Acquisition Units;

- (ii) the initial acquisition cost of Dr. Liu Zhiwei (the Vendor under the Unit Transfer Agreement) in the amount of approximately US\$1,648,433.00 (equivalent to approximately HK\$12,857,777.40), such acquisition was made in November 2020 with Dr. Liu Zhiwei acquiring the Acquisition Units from an Independent Third Party, and accordingly in the Acquisition of the Acquisition Units from the Vendor, the Vendor conditionally agreed to sell the Acquisition Units at an discount of approximately US\$48,433.00 (equivalent to approximately HK\$377,777.40); and
- (iii) reasons for the Acquisition as stipulated the section headed “Reasons for and benefits of the Acquisition” in the Announcement.

## INFORMATION ON THE TARGET FUND

As disclosed in the Announcement, the Target Fund is an exempted company incorporated with limited liability in the Cayman Islands established for investment purpose. The investment target entity underlying the Target Fund is SEBA Bank AG, and the details of the Target Fund are as follows:

**Background of the Target Fund** : The Target Fund is an exempted company incorporated with limited liability in the Cayman Islands on 16 July 2014 as an open-ended investment company organized as a feeder fund (without fund duration or investment period specified in fund documents) and the assets of the Target Fund (to the extent not retained in cash to meet operating expenses) may be invested in different class fund shares. The master fund of the Target Fund (the “**Master Fund**”) is an exempted company incorporated with limited liability in the Cayman Islands. Each of the Target Fund and the Master Fund was registered on 29 May 2015 as a regulated mutual fund under Section 4(3) of the Mutual Funds Law (as amended) of the Cayman Islands and was incepted on 16 June 2017. Save for the founder share of the Target Fund, all the other class shares (including the Acquisition Units) of the Target Fund are non-voting shares.

It is not envisaged that any income or gains will be distributed by the Target Fund by way of dividend. However, declaration of a dividend at any time in the future is not precluded if it is appropriate to do so.

**Investment Objective and Strategies** : The investment objective of the Target Fund is to seek capital appreciation, with focus on the global market for investment opportunities, and will adopt a bottom-up stock selection approach and with a macro-overlay and focus on listed securities.

**Underlying Investment** : The only underlying investment of the Acquisition Units is the Underlying SEBA Stock. Shares under the Target Fund have been designed and organised into several different classes. The Acquisition Units are the special situation shares – SEBA S-B of the Target Fund, of which the financial performance is separately calculated from other class shares of the Target Fund. The Acquisition Units constitute the entire special situation shares – SEBA S-B (the “**Special Situation Shares – SEBA S-B**”) of the Target Fund, of which the only underlying investment is the Underlying SEBA Stock.

**Fund Manager** : The investment manager (the “**Investment Manager**”) of the Target Fund is Summer Capital Management Company Limited, which is licensed for Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities by the Securities and Futures Commission (“**SFC**”) pursuant to the SFO with CE Number BIE095.

**Investor Requirements** : The Target Fund is a collective investment scheme as defined in the SFO but has not been authorized by the SFC pursuant to the SFO. Accordingly, the shares of the Target Fund may only be offered or sold in Hong Kong to persons who are “professional investors” as defined in the SFO.

**Background of Investors:** To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, prior to the completion of the Acquisition, Dr. Liu Zhiwei is the only investor of the Special Situation Shares – SEBA S-B of the Target Fund.

Furthermore, as the only underlying investment of the Acquisition Units is the Underlying SEBA Stock, details of SEBA Bank AG, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries are as follows:

**Background of SEBA Bank AG** : SEBA Bank AG is an unlisted company limited by shares incorporated in Switzerland, it is a banking entity founded in April 2018 principally engaged in crypto-related banking services with headquarter located in Switzerland.

**Services Provided** : Banking and investment services, including trading, structured products, bank accounts, cards, credit, staking, and crypto and non-fungible tokens (NFT) custody in Switzerland.

**Establishment in Hong Kong** : In November 2022, the Bank has opened its regional office via its subsidiary SEBA (Hong Kong) Limited in Hong Kong, leveraging the city’s status as an international finance center, as well as its supportive regulatory approach to virtual assets.

In connection to the Target Fund, (1) the shareholding of SEBA Bank AG held by the Special Situation Shares – SEBA S-B through the Target Fund accounts for less than 1% of the total share capital of SEBA Bank AG as at the date of this announcement; and (2) except for the shareholding above, Dr. Liu Zhiwei has no other shareholdings (whether direct or indirect) in SEBA Bank AG.

Though the Target Fund is an open-ended fund, the investors may benefit from subscribing for the Special Situation Shares – SEBA S-B by relatively long-term expected capital appreciation upon the investors' final redemption of the same, rather than receiving dividends on a regular basis therefrom. Therefore, as a minority investor of SEBA Bank AG with the aim of gaining long-term capital appreciation, it is acceptable for the Company that (1) no dividend of the Bank or the Target Fund is expected to be distributed to the Company for the investment period; (2) the Acquisition Units are non-voting equity interests of the Target Fund; and (3) its shareholding of the Bank accounts for less than 1% of the total share capital of the Bank. Furthermore, with respect to the Acquisition, the Company intends to adopt a cautious approach in terms of its investment and since Dr. Liu is the only one whom the Company understands as a subscriber to the Target Fund, it would be in the interests of the Shareholders and the Company to acquire a minority interest as at the dates of the Announcement and this announcement.

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

As disclosed in the Announcement, Hong Kong has presented an encouraging development trend with respect to innovative technology-related businesses such as those connected to blockchain-based technology application. The Acquisition was made owing to a few reasons as follow:

- (i) SEBA Bank AG is a banking entity founded in April 2018 principally engaged in crypto-related banking services with headquarter located in Switzerland, amongst all market participants in the provision of crypto-related banking services, SEBA Bank AG is one of the few that has endorsed the highest level of compliance in terms of rules and regulations applicable to the entity. SEBA Bank AG has obtained licenses to conduct its businesses with the local regulatory authorities in Switzerland and Abu Dhabi reflecting such attitude in supporting the responsible growth of the digital assets industry, and thus, its own businesses.
- (ii) As aforementioned, SEBA Bank AG has set up its Hong Kong subsidiary to capture the business opportunities in Asia-Pacific region, the Company sees this as a further support for the market trend of blockchain technology, which for the avoidance of doubt, is not relevant to virtual asset trading platform operators but is relevant to other virtual asset related activities.
- (iii) The Directors have conducted sufficient level of due diligence with respect to the Target Fund and the underlying assets of the Target Fund's investment, being SEBA Bank AG, and are of the view that the Acquisition is a reliable and trustworthy investment decision made by the directors of the Target Fund. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, (a) in terms of the Target Fund, the Investment Manager is a licensed corporation to carried out the relevant regulated activities and the responsible officers therewith are experienced in carrying out such regulated activities, two of whom are directors of the Target Fund; and (b) in terms of SEBA Bank AG, the Directors have researched and read through public-available information of SEBA Bank AG and are of the view that the businesses conducted by the same have been compliant to the relevant rules and regulations.

- (iv) It is the Company's anticipation that SEBA Bank AG will be listed or acquired, in which case, the Company may redeem the Acquisition Units to reap the profit by quitting the investment; or (ii) make a transfer of the Acquisition Units as and when appropriate in order to realize the benefit of capital appreciation.

In view of the favourable atmosphere and market trend for blockchain technology elaborated in the Announcement and the above reasons, the Directors consider that the Acquisition represents a good opportunity for the Group to invest into cryptocurrency-related banking solutions and financial services, taking into account that the Vendor, Dr. Liu Zhiwei sold the Acquisition Units at a price lower than his original acquisition cost.

By order of the Board  
**GoFintech Innovation Limited**  
**LIU Zhiwei**  
*Chairman and Executive Director*

Hong Kong, 28 September 2023

*For the purpose of illustration only and unless otherwise stated, conversion of US\$ into HK\$ in this announcement is based on the exchange rate of US\$1.00 to HK\$7.80. Such conversion should not be construed as a representation that any amount has been, could have been, or may be, exchanged at this or any other rate.*

*As at the date of this announcement, the Board consists of three executive Directors, namely Dr. LIU Zhiwei (Chairman), Mr. HUA Yang (Chief Executive Officer) and Ms. SUN Qing; one non-executive Director, namely Mr. HAN Hanting; and four independent non-executive Directors, namely Mr. CHAN Kin Sang, Mr. CHIU Kung Chik, Mr. LI Gaofeng and Ms. LUI Mei Ka.*