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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: <https://290.com.hk>

CONNECTED TRANSACTION **ACQUISITION OF EQUITY INTEREST IN THE TARGET COMPANY**

THE ACQUISITION

The Board wishes to announce that on 12 June 2024 (after trading hours of the Stock Exchange), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Target Equity at the Consideration in the amount of HK\$39.50 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Vendor is a substantial shareholder of the Company and is therefore a connected person of the Company under Chapter 14A of the Listing Rules, and the Acquisition constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 0.1% but all are less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. None of the Directors has a material interest with respect to the Acquisition and none of the Directors is required to abstain from voting on the resolutions of the Board in respect of the Acquisition, the entering into of the Equity Transfer Agreement and the transactions contemplated thereunder.

THE ACQUISITION

The Board wishes to announce that on 12 June 2024 (after trading hours of the Stock Exchange), the Purchaser (a wholly-owned subsidiary of the Company) and the Vendor entered into the Equity Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Target Equity at the Consideration in the amount of HK\$39.50 million.

The principal terms of the Equity Transfer Agreement are set out below:

Date

12 June 2024 (after trading hours of the Stock Exchange)

Parties to the Equity Transfer Agreement

- (i) The Purchaser; and
- (ii) The Vendor.

Subject Matter

Pursuant to the Equity Transfer Agreement, the Purchaser (a wholly-owned subsidiary of the Company) has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Target Equity (being 4.2726% of the entire equity interest of the Target Company) at the Consideration in the amount of HK\$39.50 million.

The historical cost of the Vendor with respect to the Target Equity amounted to RMB15.00 million (equivalent to approximately HK\$16.13 million) which was paid by the Vendor as investment sum in December 2020 towards the capital contribution to the Target Company.

Acquisition Consideration

The Consideration for the Acquisition is HK\$39.50 million, which shall be paid by the Purchaser to the Vendor at such time and in such manner as follows:

- (i) a sum of HK\$35.55 million shall be paid within 15 days upon the entering into of the Equity Transfer Agreement; and
- (ii) the remaining balance in the amount of HK\$3.95 million shall be paid within 15 days upon completion of the Registration of Change.

The Consideration was determined on arm's length basis between the Purchaser and the Vendor, and had taken into account (i) the financial performance and future prospects of the Target Company; (ii) the core technological advantages of the Target Company, its well-established R&D systems, solid R&D results and the commercialization of its technologies in terms of patented products in the field of quantum computing; (iii) an internal analysis using comparable companies within the quantum computing industry; (iv) the latest Valuation conducted by the Target Company with reference to which, the Target Equity was appraised and amounted to approximately HK\$47.00 million; and (v) the benefits that would be brought to the Group by the Acquisition as explained in more details in the section headed "Reasons for and benefits of the Acquisition" below.

The Directors intend to satisfy the Consideration by internal resources of the Group. The Directors consider that the terms of the Equity Transfer Agreement including the Consideration are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions

The Equity Transfer Agreement shall be effective upon the satisfaction of the following conditions:

- (i) the due execution of the Equity Transfer Agreement by the Vendor and the Purchaser;
- (ii) the approval to the Equity Transfer Agreement, the Acquisition and the transactions contemplated thereunder having been obtained from the Board; and
- (iii) all relevant, necessary and duly executed agreement(s) and document(s) confirming and acknowledging the validity of the Acquisition and the transactions contemplated thereunder having been obtained.

Completion

Subject to all necessary approvals, authorisations or consents in relation to the Acquisition having been obtained from the competent authorities, Completion shall take place on the date of completion of the Registration of Change regarding the transfer of the Target Equity. Upon Completion, the Company will indirectly hold 4.2726% of the entire equity interest of the Target Company and will account for the financial results of the Target Company as investments at fair value through profit or loss, and the Vendor will cease to have any equity interest in the Target Company.

INFORMATION OF THE COMPANY, THE GROUP AND THE PURCHASER

The Company is an investment holding company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange. The Group is a cross-border, cross-industry financial technology innovation platform based in Hong Kong, backed by the Greater Bay Area, and focused on the international market. The current businesses of the Group include investment banking, securities brokerage, asset management, margin financing, insurance brokerage, money lending, debt and equity investment, and immigration consulting.

The Purchaser is an investment holding company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Company.

INFORMATION OF THE VENDOR

The Vendor is Dr. LIU Zhiwei, a substantial shareholder of the Company interested in 1,255,788,000 Shares, being approximately 19.85% of the entire issued share capital of the Company. Dr. LIU Zhiwei was also the chairman of the Board and executive Director from August 2022 to February 2024.

INFORMATION OF THE TARGET COMPANY

The Target Company is a private limited company incorporated in the PRC. It is mainly engaged in the R&D, production and sales of quantum computers. It is one of the few companies within the quantum computing field worldwide that is capable of developing and producing complete quantum computers. Its patented technologies and products include, among others, superconducting chip quantum computer, desktop nuclear magnetic resonance quantum computer, quantum computing application algorithm and cloud platform technology.

Set out below is the extract of the audited consolidated financial information of the Target Company for the two years ended 31 December 2022 and 31 December 2023, respectively:

	For the year ended 31 December 2022 (audited) (RMB million)	For the year ended 31 December 2023 (audited) (RMB million)
Profit/(loss) before tax	(33.77)	(32.80)
Profit/(loss) after tax	(33.77)	(32.80)

As at 31 December 2023, the audited consolidated net assets of the Target Company was RMB39.85 million (equivalent to approximately HK\$42.85 million).

REASONS FOR AND BENEFITS OF THE ACQUISITION

Equity investment is one of the Group's major business segments and a strategic focus of the Group. The Company has been proactively looking for opportunities to further expand and diversify its investment portfolio into those innovative industries that aligns with the strategic goals of the Company. The Board is of the view that the businesses with respect to groundbreaking technology such as those connected to quantum computing and quantum communications technology application are anticipated to have exponential growth and development in the coming years. With respect to its national support, it is a national strategy of China to develop quantum technology, as mentioned in the 2024 Government Work Report (《2024政府工作報告》) announced by the PRC government in March 2024, there is national initiative to "formulate a future industrial development plan to open up new tracks such as quantum technology and life sciences". The above 2024 Government Work Report further pointed out that "innovative achievements in cutting-edge technological fields such as artificial intelligence and quantum technology continue to emerge." The great emphasis placed on quantum technology by the PRC government will continue to drive the growth of the industry, injecting surging momentum into the development of the quantum technology and its applications in the years to come.

Quantum technology is a key scientific research field that the PRC government attaches great importance to. Quantum technology has huge application potential and there is a booming development trend in the research and development and applications of quantum technology in recent years. The Target Company is a leading-edge enterprise in the field of quantum computing, and has already commercialised its quantum computing products. It is one of the few companies in the PRC that is capable of developing and manufacturing complete quantum computers.

The Board is of the view that on top of the Consideration being a discounted price with reference to the appraised value of the Target Equity (with adjustment factors including, amongst others, liquidity and nature of the transaction contemplated weighed in), the Acquisition will bring in substantial strategic value to the Group, and will be conducive for the Group to not only tapping into the development of the cutting-edge quantum computing technology field but also realizing economic benefits from the growth potential of the industry and the Target Company on a long-term perspective.

On the basis of the foregoing, the Directors (including the independent non-executive Directors) consider that the terms of the Equity Transfer Agreement and the transactions contemplated thereunder are fair and reasonable and on normal commercial terms agreed upon after arm's length negotiations between the parties to the Equity Transfer Agreement. The Directors (including the independent non-executive Directors) consider that the Acquisition and the entering into of the Equity Transfer Agreement are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Vendor is a substantial shareholder of the Company and is therefore a connected person of the Company under Chapter 14A of the Listing Rules, and the Acquisition constitutes a connected transaction of the Company.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition is more than 0.1% but all are less than 5%, the Acquisition is subject to the reporting and announcement requirements but is exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. None of the Directors has a material interest with respect to the Acquisition and none of the Directors is required to abstain from voting on the resolutions of the Board in respect of the Acquisition, the entering into of the Equity Transfer Agreement and the transactions contemplated thereunder.

DEFINITIONS

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

“Acquisition”	the Acquisition by the Purchaser from the Vendor for 4.2726% equity interest in the Target Company pursuant to the Equity Transfer Agreement
“Board”	the board of Directors
“Company”	GoFintech Innovation Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange (stock code: 290)
“Completion”	the completion of the Acquisition in accordance with the terms and condition set out in the Equity Transfer Agreement

“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Consideration”	the consideration in the amount of HK\$39.50 million for the Acquisition payable by the Purchaser to the Vendor
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the conditional Equity Transfer Agreement entered into between the Purchaser and the Vendor dated 12 June 2024 in relation to the Acquisition
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Purchaser”	Chuangqi International Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company
“R&D”	such research and development with respect to the technology engaged by the Target Company
“Registration of Change”	relevant procedures in respect of the completion of the Acquisition, being the transfer of the Target Equity to the Purchaser, including but not limited to (i) the register of members of the Target Company to be revised; and (ii) such necessary changes of industrial and commercial registration made in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	The Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary shares in the issued share capital of the Company, in the par value of HK\$0.10
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	the Stock Exchange of Hong Kong Limited

“Target Company”	Shenzhen SpinQ Technology Co., Ltd.* (深圳量旋科技有限公司), a company incorporated in the PRC with limited liability
“Target Equity”	the 4.2726% equity interest in the Target Company held by the Vendor prior to the Acquisition
“Valuation”	valuation conducted by the Target Company for the purpose of providing reference regarding the capital contribution made by other professional investors
“Vendor”	Dr. LIU Zhiwei, a substantial shareholder of the Company and the former chairman of the Board and executive Director
“%”	per cent

By order of the Board
GoFintech Innovation Limited
CHAN Kin Sang
Chairman and Independent Non-executive Director

Hong Kong, 12 June 2024

For the purpose of this announcement, unless the context otherwise requires, conversion of Renminbi into Hong Kong dollars is based on the approximate exchange rate of HK\$1 to RMB0.93. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in Hong Kong dollars or Renminbi have been, could have been or may be converted at such or any other rate or at all.

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

* *For identification purpose only*