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TradeGo

TradeGo FinTech Limited

捷利交易寶金融科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8017)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
TENANCY AGREEMENT**

THE TENANCY AGREEMENT

On 16 June 2021, Tele-Trend Konson SZ Limited (a wholly-owned subsidiary of the Company) as tenant and First Branch of Qianhai Shimao Development (Shenzhen) Co., Ltd. as the landlord entered into the Tenancy Agreement in respect of the Premise for a term of 5 years from 14 August 2021 to 13 August 2026. The Group will use the Premises as its office premises for its operation.

IMPLICATIONS UNDER THE GEM LISTING RULES

In accordance with HKFRS 16 “Leases”, the Company recognised the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the Premise under the Agreements with effect on 14 August 2021 during its accounting period. Accordingly, the lease transaction under the Tenancy Agreement is regarded as acquisition of asset by the tenant (i.e. lessee) for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the value of the right-of-use of the Premise under the Tenancy Agreement exceed 5% but are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction and is subject to the announcement requirement under Chapter 19 of the GEM Listing Rules but exempt from Shareholders’ approval requirement under the GEM Listing Rules.

INTRODUCTION

On 16 June 2021, Tele-Trend Konson SZ Limited (a subsidiary of the Company) as tenant and First Branch of Qianhai Shima Development (Shenzhen) Co., Ltd. as the landlord entered into the Tenancy Agreement in respect of the Premise for a term of 5 years from 14 August 2021 to 13 August 2026. The Group will use the Premises as its office premises for its operation.

The Tenancy Agreement

Salient terms of the Tenancy Agreement is set out as follows:

- Date: 16 June 2021
- Parties:
- (i) First Branch of Qianhai Shima Development (Shenzhen) Co., Ltd as the landlord; and
 - (ii) Tele-Trend Konson SZ Limited (a wholly-owned subsidiary of the Company) as tenant.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the landlord and their respective ultimate beneficial owner(s) are the Independent Third Parties.

- Premise: Units 01, 04, 05, 06, 07 and 08 on 28/F, Shima Qianhai Centre, Shenzhen, China
- Term: 5 years from 14 August 2021 to 13 August 2026
- Rental payment:
- From 14 August 2021 to 13 November 2021: RMB238,450.51
 - From 14 November 2021 to 30 September 2022: RMB235,163.28 per month
 - From 1 October 2022 to 31 December 2022: RMB235,163.28
 - From 1 January 2023 to 13 August 2023: RMB235,163.28 per month
 - From 14 August 2023 to 13 August 2024: RMB246,921.44 per month
 - From 14 August 2024 to 13 August 2026: RMB259,267.52 per month

The value (unaudited) of the right-of-use asset recognised by the Company under the Tenancy Agreement amounted to approximately HK\$14,799,189, which is the present value of total consideration payable plus estimated reinstatement cost with the lease at the inception of the lease term under the tenancy agreement in accordance with HKFRS 16. Discount rate of 4.75% is applied to compute the present value of total consideration payable under the Tenancy Agreement.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in providing cloud-based market and trading integrated terminal products and system services for Hong Kong brokerage firms, and has a leading market position in providing front office trading system services and market data services for Hong Kong brokerage firms.

INFORMATION ABOUT QIANHAI SHIMAO DEVELOPMENT (SHENZHEN) CO., LTD.

Qianhai Shima Development (Shenzhen) Co., Ltd. is a limited liability company established in the PRC, which is primarily engaged in property investment. To the best knowledge of the Director after making all reasonable enquiries, Qianhai Shima Development (Shenzhen) Co., Ltd. is controlled by Shanghai ShiMao Co., Ltd (上海世茂股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600823).

REASONS AND BENEFITS OF THE TENANCY AGREEMENT

The Group relocated its office in Shenzhen from NanShan District to Qianhai District, mainly to take advantage of the location, business facilities, commercial facilities and preferential policies for technology company provided by the Guangdong-Hong Kong-Macao Greater Bay Area (the “**Greater Bay Area**”). We believe that the more we integrated into the Greater Bay Area, the better for us to introduce talents, expand our R&D center, and support our long-term development.

In addition, the terms of the Tenancy Agreement were determined after arm’s length negotiations between the parties and with reference to the prevailing market rent of comparable office properties in the vicinity of the Premise. The Directors consider that the terms of the Tenancy Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

In accordance with HKFRS 16 “Leases”, the Company recognised the value of the right-of-use assets on its consolidated statement of financial position in connection with the lease of the Premise under the Tenancy Agreement with effect on 14 August 2021 during its accounting period. Accordingly, the lease transaction under the Tenancy Agreement are regarded as acquisition of asset by the tenant (i.e. lessee) for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the value of the right-of-use of the Premise under the Tenancy Agreement exceed 5% but are less than 25%, the transaction contemplated thereunder constitutes a discloseable transaction and is subject to the announcement requirement under Chapter 19 of the GEM Listing Rules but exempt from Shareholders’ approval requirement under the GEM Listing Rules.

The Company acknowledges that the notification and announcement in respect of the transaction as required under Chapter 19 of the GEM Listing Rules had been delayed due to its inadvertent mistaken assessment of the accounting treatment and the use of information for the calculation of the size tests. The failure to make timely disclosure was due to misunderstanding of the application of the HKFRS 16 and the corresponding implications under the GEM Listing Rules.

REMEDIAL ACTIONS

The Company acknowledges the inadvertent non-compliance with the GEM Listing Rules was due to a mistaken assessment of the accounting treatment in relation to the adoption of HKFRS 16 which had led to an inadvertent mistake for computing the size tests. To prevent similar non-compliance in relation to the adoption of HKFRS 16 from occurring in the future, the Company has taken the following measures and actions: (i) the Company's responsible management with assistance from external accounting professionals and legal advisers of the Company shall continue to oversee and monitor the Company's on-going compliance with the GEM Listing Rules in relation to the Group's lease arrangements; (ii) the Company should conduct an internal training session to explain the implications of the GEM Listing Rules in relation to HKFRS 16 and the reporting procedures for notifiable transactions under the GEM Listing Rules in respect of lease arrangements prior to execution; and (iii) the Company should, as and when appropriate and necessary, seek its external legal, accounting or other professional advice as to any action required to be taken in relation to any proposed lease transactions or events in the future. Going forward, the Company will make disclosure in a timely manner to ensure compliance with the GEM Listing Rules in this regard.

DEFINITIONS

“Board”	board of Directors
“Company”	TradeGo FinTech Limited, a company incorporated in the Cayman Islands with limited liability and the shares are listed on GEM (stock code: 8017)
“connected person(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	a party independent of and not connected with the Company and its connected persons
“PRC”	the People's Republic of China

“Premise”	the premise situated at Units 01, 04, 05, 06, 07 and 08 on 28/F, Shimao Qianhai Centre, Shenzhen, China
“Shareholder(s)”	holder(s) of shares of the Company
“Tenancy Agreement”	the tenancy agreement dated 16 June 2021 entered into between Tele-Trend Konson SZ Limited (a wholly-owned subsidiary of the Company) as tenant and First Branch of Qianhai Shimao Development (Shenzhen) Co., Ltd. as the landlord
“%”	per cent.

By order of the Board
TradeGo FinTech Limited
LIU Yong
Chairman and Executive Director

Shenzhen, People’s Republic of China, 7 July 2022

As at the date of this announcement, the Board comprises Mr. LIU Yong, Mr. WAN Yong, Mr. LIAO Jicheng and Mr. ZHANG Wenhua as executive Directors; Mr. LIN Hung Yuan and Mr. WANG Haihang as non-executive Directors; and Ms. JIAO Jie, Mr. MAN Kong Yui and Dr. LOKE Yu as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for a minimum period of seven days from the date of its publication and on the website of the Company at www.tradego8.com.