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## **FY FINANCIAL (SHENZHEN) CO., LTD.**

**富銀融資租賃(深圳)股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 8452)**

### **DISCLOSEABLE TRANSACTIONS FINANCE LEASE AGREEMENTS**

#### **FINANCE LEASE AGREEMENTS WITH LESSEE E**

Prior to and after the Listing, the Company entered into direct leasing transactions under the Previous Finance Lease Agreements with, among others, Lessee E. Pursuant to the Previous Finance Lease Agreements, the Company would purchase from the relevant Suppliers the lease assets and would lease to Lessee E such lease assets for a term ranging from 36 to 48 months in return for lease payment.

On 22 December 2017, the Company entered into new direct leasing transactions with Lessee E under the Finance Lease Agreements XI, pursuant to which the Company would purchase from Supplier I the Direct Lease Assets XI at a consideration of RMB10,000,000 (equivalent to approximately HK\$11,825,922) and the Company would lease to Lessee E the Direct Lease Assets XI for a term of 48 months in return for lease payment.

#### **IMPLICATIONS UNDER THE GEM LISTING RULES**

None of the applicable ratios (as defined in the GEM Listing Rules) for the transactions contemplated under the Finance Lease Agreements XI on a standalone basis exceeds 5%. As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) for the transactions contemplated under the Finance Lease Agreements XI, when aggregated with those contemplated under the Previous Finance Lease Agreements, exceed 5% but are less than 25%, such transactions constitute discloseable transactions for the Company under Chapter 19 of the GEM Listing Rules and are subject to the notification and announcement requirements under the GEM Listing Rules.

## BACKGROUND

Prior to and after the Listing, the Company entered into direct leasing transactions under the Previous Finance Lease Agreements with, among others, Lessee E. Pursuant to the Previous Finance Lease Agreements, the Company would purchase from the relevant Suppliers the lease assets and would lease to Lessee E such lease assets for a term ranging from 36 to 48 months in return for lease payment.

On 22 December 2017, the Company entered into new direct leasing transactions with Lessee E under the Finance Lease Agreements XI, pursuant to which the Company would purchase from Supplier I the Direct Lease Assets XI at a consideration of RMB10,000,000 (equivalent to approximately HK\$11,825,922) and the Company would lease to Lessee E the Direct Lease Assets XI for a term of 48 months in return for lease payment.

The table below sets out the dates of the respective Finance Lease Agreements, the lease assets and the consideration for the acquisition of the lease assets by the Company:

Finance Lease Agreements	Date of Sale and Purchase Agreement	Date of Direct Lease Agreement	Lease Assets	Consideration	
				RMB	(Equivalent amount of HK\$) (Approx.)
I	28 January 2016	28 January 2016	Direct Lease Assets I	1,668,000	1,972,564
II	15 April 2016	15 April 2016	Direct Lease Assets II	4,535,000	5,363,056
III	27 April 2016	27 April 2016	Direct Lease Assets III	2,226,070	2,632,533
IV	20 July 2016	20 July 2016	Direct Lease Assets IV	5,060,000	5,983,917
V	18 August 2016	18 August 2016	Direct Lease Assets V	2,370,900	2,803,808
VI	8 November 2016	8 November 2016	Direct Lease Assets VI	2,488,000	2,942,289
VII	14 November 2016	14 November 2016	Direct Lease Assets VII	5,500,000	6,504,257
VIII	23 December 2016	23 December 2016	Direct Lease Assets VIII	18,962,000	22,424,314
IX	22 March 2017	22 March 2017	Direct Lease Assets IX	3,149,000	3,723,983
X	14 September 2017	14 September 2017	Direct Lease Assets X	2,004,000	2,369,915
XI	22 December 2017	22 December 2017	Direct Lease Assets XI	<u>10,000,000</u>	<u>11,825,922</u>
Total				<u>57,962,970</u>	<u>68,546,559</u>

The table below sets out the finance lease principal amount (exclusive of VAT), the finance lease interest income (exclusive of VAT), the security deposit from Lessee E and the outstanding finance lease principal amount (exclusive of VAT and security deposit from Lessee E) as at 22 December 2017 under each of the Finance Lease Agreements:

<b>Finance Lease Agreements</b>	<b>Finance lease principal amount (exclusive of VAT)</b> <i>RMB (Equivalent amount of HK\$)</i> <i>(Approx.)</i>	<b>Finance lease interest income (exclusive of VAT)</b> <i>RMB (Equivalent amount of HK\$)</i> <i>(Approx.)</i>	<b>Security deposit from Lessee E</b> <i>RMB (Equivalent amount of HK\$)</i> <i>(Approx.)</i>	<b>Outstanding finance lease principal amount (exclusive of VAT and security deposit from Lessee E) as at 22 December 2017</b> <i>RMB (Equivalent amount of HK\$)</i> <i>(Approx.)</i>
I	RMB1,283,077 (HK\$1,517,357)	RMB134,021 (HK\$158,492)	RMB166,800 (HK\$197,256)	RMB396,957 (HK\$469,438)
II	RMB3,488,462 (HK\$4,125,428)	RMB364,391 (HK\$430,926)	RMB272,100 (HK\$321,783)	RMB1,562,666 (HK\$1,847,996)
III	RMB1,712,362 (HK\$2,025,026)	RMB178,867 (HK\$211,527)	RMB133,564 (HK\$157,952)	RMB762,414 (HK\$901,625)
IV	RMB3,892,308 (HK\$4,603,013)	RMB408,000 (HK\$482,498)	RMB253,000 (HK\$299,196)	RMB2,105,304 (HK\$2,489,716)
V	RMB1,823,769 (HK\$2,156,775)	RMB190,538 (HK\$225,329)	RMB118,545 (HK\$140,190)	RMB986,325 (HK\$1,166,420)
VI	RMB1,913,846 (HK\$2,263,299)	RMB279,460 (HK\$330,487)	RMB124,400 (HK\$147,114)	RMB1,356,903 (HK\$1,604,664)
VII	RMB4,230,769 (HK\$5,003,275)	RMB664,957 (HK\$786,373)	RMB275,000 (HK\$325,213)	RMB3,006,769 (HK\$3,555,782)
VIII	RMB14,586,154 (HK\$17,249,473)	RMB2,129,867 (HK\$2,518,764)	RMB948,100 (HK\$1,121,216)	RMB11,319,113 (HK\$13,385,895)
IX	RMB2,422,308 (HK\$2,864,603)	RMB325,658 (HK\$385,121)	RMB157,450 (HK\$186,199)	RMB1,958,259 (HK\$2,315,822)
X	RMB1,541,538 (HK\$1,823,011)	RMB207,248 (HK\$245,090)	RMB100,200 (HK\$118,496)	RMB1,355,534 (HK\$1,603,044)
XI	RMB7,692,308 <u>(HK\$9,096,863)</u>	RMB1,128,205 <u>(HK\$1,334,207)</u>	RMB500,000 <u>(HK\$591,296)</u>	RMB7,192,308 <u>(HK\$8,505,567)</u>
Total:	RMB44,586,901 <u>(HK\$52,728,123)</u>	RMB6,011,212 <u>(HK\$7,108,813)</u>	RMB3,049,159 <u>(HK\$3,605,912)</u>	RMB32,002,551 <u>(HK\$37,845,969)</u>

## DIRECT LEASE ARRANGEMENTS

Each of the Finance Lease Agreements contains similar major terms to each other. The principal terms and conditions of the Direct Lease Arrangements are summarised as follows:

### Sale and Purchase Agreements

**Parties:** The Company (as purchaser)  
Suppliers (as seller)  
Lessee E (as end user)

**Assets acquired:** The Direct Lease Assets under the respective Sale and Purchase Agreements comprise the following:

<b>Sale and Purchase Agreement</b>	<b>Direct Lease Assets</b>	<b>Components</b>
I	I	a batch of 2 pieces or sets of equipment
II	II	1 piece or set of equipment
III	III	a batch of 22 pieces or segments of equipment
IV	IV	1 piece or set of equipment
V	V	a batch of 3 pieces or sets of equipment
VI	VI	a batch of 3 pieces or sets of equipment
VII	VII	1 piece or set of equipment
VIII	VIII	a batch of 33 pieces or sets of equipment
IX	IX	a batch of 4 pieces or sets of equipment
X	X	a batch of 2 pieces or sets of equipment
XI	XI	a batch of 9 pieces or sets of equipment

All Direct Lease Assets are equipment used for construction work.

**Consideration:**

The relevant Consideration shall be payable to the relevant Supplier for the acquisition of the Direct Lease Assets under each of the Sale and Purchase Agreements.

**Direct Lease**

Assets	Seller	Consideration	
		RMB	Equivalent amount of HK\$ (Approx.)
I	Supplier I	1,668,000	1,972,564
II	Supplier II	4,535,000	5,363,056
III	Supplier I	2,226,070	2,632,533
IV	Supplier III	5,060,000	5,983,917
V	Supplier I	2,370,900	2,803,808
VI	Supplier I	2,488,000	2,942,289
VII	Supplier III	5,500,000	6,504,257
VIII	Supplier IV	18,962,000	22,424,314
IX	Supplier I	3,149,000	3,723,983
X	Supplier I	2,004,000	2,369,915
XI	Supplier I	<u>10,000,000</u>	<u>11,825,922</u>
Total		<u>57,962,970</u>	<u>68,546,559</u>

**Basis of consideration:**

The relevant Consideration under each of the Sale and Purchase Agreements was determined after arm's length negotiations between the Company and the relevant Supplier with reference to the brand, the model and the market price of the relevant Direct Lease Assets.

Under the Sale and Purchase Agreement I, II, III, IV, V and VII, the relevant Consideration shall be payable in the following manner:

- (a) 0% to 20% of the relevant Consideration shall be payable by Lessee E to the relevant Supplier within 10 business days after the date of the relevant Sale and Purchase Agreement and such payment shall be deemed as the payment of an equivalent sum from the Company to the relevant Supplier and the payment of the equivalent amount of down payment and/or security deposit payable by Lessee E to the Company under the relevant Direct Lease Agreement; and

(b) 80% to 100% of the relevant Consideration shall be payable by the Company within 10 business days after the fulfilment of certain conditions.

Under the Sale and Purchase Agreement VI, VIII, IX, X and XI, the relevant Consideration shall be payable by the Company within 10 business days after the fulfillment of certain conditions.

As at the date of this announcement, the entire sum of the relevant Consideration under the Sale and Purchase Agreements (other than the Sale and Purchase Agreement XI) was paid by Lessee E and/or the Company to the Suppliers. The entire sum of the relevant Consideration under the Sale and Purchase Agreement XI shall be satisfied by the Company through its internal resources.

### **Direct Lease Agreements**

**Parties:**

The Company (as lessor)  
Lessee E (as lessee)

**Subject asset and lease term:**

The relevant Direct Lease Assets are leased from the Company to Lessee E for a term of 36 to 48 months commencing from the following date, being the date on which the relevant Consideration was paid or shall be paid by the Company under the respective Sale and Purchase Agreements.

### **Direct Lease Direct Lease**

<b>Agreement</b>	<b>Assets</b>	<b>Commencement Date</b>
I	I	3 February 2016
II	II	22 April 2016
III	III	4 May 2016
IV	IV	5 August 2016
V	V	22 August 2016
VI	VI	21 November 2016
VII	VII	30 November 2016
VIII	VIII	28 December 2016
IX	IX	1 April 2017
X	X	15 September 2017
XI	XI	22 December 2017

**Conditions precedent:**

Each of the Direct Lease Agreements shall take effect conditional upon, among others, the signing of the relevant Sale and Purchase Agreement, the taking effect of the guarantee agreement and/or the security agreement referred to therein and/or the receipt of security deposit and/or down payment by the Company from Lessee E.

If any of the conditions is not fulfilled within 30 days from the date of the relevant Direct Lease Agreement, the Company is entitled to terminate the relevant Direct Lease Agreement and the relevant Sale and Purchase Agreement and the Company shall not be liable for any duties and obligations to Lessee E, unless the non-fulfilment of any of the conditions is caused by the Company, in which Lessee E shall not be liable for any duties and obligations. If the non-fulfilment of any of the conditions is caused by Lessee E and the relevant Direct Lease Agreement is terminated as a result, Lessee E shall be liable for all losses of the Company.

**Lease payment:**

The lease payment for the respective terms under the Direct Lease Agreements consists of (i) the finance lease principal amount; (ii) the finance lease interest income; and (iii) VAT payable for the finance lease principal amount and/or the finance lease interest income.

The lease payment shall be paid by Lessee E by 12 to 16 quarterly instalments payable on the last day of each instalment period (or if such day is not a day which banks are generally open for business, the last business day for banks before such day).

The lease payment has been agreed after arm's length negotiations between the Company and Lessee E with reference to the purchase costs of the Direct Lease Assets by the Company, the creditability of Lessee E, risk factors and the prevailing market interest rate for finance leases of the assets comparable to the Direct Lease Assets.

**Down payment:** Under each of the Direct Lease Agreements, Lessee E shall make down payment to the relevant Suppliers or the Company equivalent to 10% of the relevant Consideration.

**Security deposit:** A security deposit shall be payable by Lessee E to secure the performance of its obligations under the Direct Lease Agreement.

The Company may apply the security deposit to settle any outstanding amount payable by Lessee E under the Direct Lease Agreement and Lessee E must replenish such amount equivalent to the amount of security deposit being deducted.

Subject to the terms of the relevant Direct Lease Agreement, in the six months prior to the expiry of the lease term of the relevant Direct Lease Agreement, the Company is entitled to apply the security deposit directly to offset (i) the retention consideration; (ii) the last one or several instalment(s) of lease payment; and (in respect of the Direct Lease Agreement IX, the Direct Lease Agreement X and the Direct Lease Agreement XI only) (iii) other amount payable by Lessee E to the Company. Any residue amount after the set-off shall be returned to Lessee E, whilst any shortfall between the amount to be offset and the amount of security deposit shall be paid in advance of set-off by Lessee E.

**Retention consideration:** Subject to the terms and conditions of the relevant Direct Lease Agreement, Lessee E may purchase from the Company the relevant Direct Lease Assets at a nominal consideration.

**Transfer of ownership of Direct Lease Assets after the end of lease:** At the end of the lease term of the relevant Direct Lease Agreement, subject to the fulfilment of all obligations by Lessee E under the relevant Direct Lease Agreement, including the payment of all lease payment and other amount (if any) such as additional tax, interest, default payment as stipulated under the relevant Direct Lease Agreement, and the payment of the retention consideration, the ownership of the relevant Direct Lease Assets will be transferred to Lessee E.



**Default payment:**

If Lessee E fails to pay any amount of lease payment due or (if any) any other amount or reimburse any expenses paid by the Company at the request of Lessee E on time and in full, Lessee E shall make default payment in the sum equivalent to the product of (i) the amount of late payment; (ii) a daily default rate of 0.1%; and (iii) the number of days from the payment due date to the full settlement date.

**Events of default:**

The Company may take possession and dispose of the Direct Lease Assets and/or declare that the outstanding lease payment, other amounts payable by Lessee E and the default payment shall be immediately payable by Lessee E or Lessee Guarantors or Supplier Guarantors and/or take legal action in the occurrence of certain triggering events, including, among others, the failure to pay on time any instalment of the lease payment or any other amount payable by Lessee E in full or the failure of Lessee E to perform any other duties and obligations under the Direct Lease Agreement.

**Guarantee and security:**

Each of the Lessee Guarantors has provided an irrevocable and unconditional corporate or personal guarantee with joint and several liability in favour of the Company in respect of all debt payable by Lessee E to the Company under each of the Direct Lease Agreements.

Each of the following Supplier Guarantors has provided an irrevocable and unconditional corporate or personal guarantee with joint and several liability in favour of the Company in respect of all debt payable by Lessee E to the Company under each of the following Direct Lease Agreements:

<b>Supplier Guarantor</b>	<b>Relevant Direct Lease Agreement</b>
Supplier I	the Direct Lease Agreement I the Direct Lease Agreement III the Direct Lease Agreement V the Direct Lease Agreement VI the Direct Lease Agreement IX the Direct Lease Agreement X the Direct Lease Agreement XI
Supplier IV Guarantor III	the Direct Lease Agreement VIII the Direct Lease Agreement VII

In respect of the Direct Lease Agreement VI, the Direct Lease Agreement VII, the Direct Lease Agreement VIII, the Direct Lease Agreement IX, the Direct Lease Agreement X and the Direct Lease Agreement XI, Lessee E also pledged certain production equipment and, among others, such ancillary, additional or substitution property of and rights in and interest accrued upon the production equipment as security to secure, among others, the performance of its obligations under each of the Direct Lease Agreements.

**Repurchase of Direct Lease Assets by Suppliers:**

Pursuant to the terms of the respective agreements between the following Suppliers and the Company, in the event that Lessee E fails to pay on time and in full the lease payment or any other amount under the following Direct Lease Agreement(s), the relevant Supplier agreed to, inter alia, repurchase from the Company the following Direct Lease Assets at a sum with reference to the difference of (a) the aggregate of the outstanding lease payment, the default payment and the retention consideration; and (b) the security deposit paid by Lessee E to the Company under the relevant Direct Lease Agreement(s).

<b>Direct Lease Assets which the Supplier agreed to buy back in case of default</b>		<b>Relevant Direct Lease Agreement(s)</b>
<b>Supplier by Lessee E</b>		
I	Direct Lease Assets X Direct Lease Assets XI	Direct Lease Agreement X Direct Lease Agreement XI
II	Direct Lease Assets II	Direct Lease Agreement II
III	Direct Lease Assets IV Direct Lease Assets VII	Direct Lease Agreement IV Direct Lease Agreement VII

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

The principal business of the Company is the provision of finance leasing and advisory services to its customers in the PRC.

The entering into of the Finance Lease Agreements is in the ordinary and usual course of business of the Company and will enable the Company to earn an aggregate income of approximately RMB1,128,291 (equivalent to approximately HK\$1,334,308), being the aggregate of the finance lease interest income (exclusive of VAT) of approximately RMB1,128,205 (equivalent to approximately HK\$1,334,206) over the respective lease terms and the retention consideration (exclusive of VAT) of approximately RMB85 (equivalent to approximately HK\$101).

Given the Finance Lease Agreements were entered into in the ordinary and usual course of business of the Company and on the normal commercial terms, the Directors are of the view that the terms of the Finance Lease Agreements are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

## **INFORMATION ON THE COMPANY**

The Company and its subsidiaries provide financial services with a focus on providing equipment-based finance leasing commercial factoring and advisory services to their customers in the PRC.

## **INFORMATION ON LESSEE E**

Lessee E is a joint stock company established in the PRC with limited liability, and is principally engaged in the leasing of cranes and construction elevators and the provision of one-stop services ranging from the equipment leasing, the design of equipment installation and removal proposals, the repair and maintenance of equipment, etc.. The shares of Lessee E are listed on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統). To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Lessee E and its ultimate beneficial owners are Independent Third Parties.

## **IMPLICATIONS UNDER THE GEM LISTING RULES**

None of the applicable ratios (as defined in the GEM Listing Rules) for the transactions contemplated under the Finance Lease Agreements XI on a standalone basis exceeds 5%. As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) for the transactions contemplated under the Finance Lease Agreements XI, when aggregated with those contemplated under the Previous Finance Lease Agreements, exceed 5% but are less than 25%, such transactions constitute discloseable transactions for the Company under Chapter 19 of the GEM Listing Rules and are subject to the notification and announcement requirements under the GEM Listing Rules.

## DEFINITIONS

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

- “Board”** the board of Directors
- “Company”** FY Financial (Shenzhen) Co., Ltd. (富銀融資租賃(深圳)股份有限公司), a joint stock company incorporated in the PRC with limited liability and the H Shares of which are listed on the GEM
- “Consideration”** the consideration for the purchase of the Direct Lease Assets I, the Direct Lease Assets II, the Direct Lease Assets III, the Direct Lease Assets IV, the Direct Lease Assets V, the Direct Lease Assets VI, the Direct Lease Assets VII, the Direct Lease Assets VIII, the Direct Lease Assets IX, the Direct Lease Assets X and the Direct Lease Assets XI by the Company from the Suppliers
- “Corporate Guarantor I”** a company established in the PRC with limited liability and principally engaged in the leasing of construction equipment and the installation, removal and maintenance service of construction equipment, being a direct wholly-owned subsidiary of Lessee E and to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, it and its ultimate beneficial owner(s) are Independent Third Parties
- “Corporate Guarantor II”** a company established in the PRC with limited liability and principally engaged in the leasing of construction equipment and the installation, removal and maintenance service of construction equipment, being a direct wholly-owned subsidiary of Lessee E and to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, it and its ultimate beneficial owner(s) are Independent Third Parties

<b>“Corporate Guarantor III”</b>	a company established in the PRC with limited liability and principally engaged in the leasing of construction equipment and the installation, removal and maintenance service of construction equipment, being a direct wholly-owned subsidiary of Lessee E and to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, it and its ultimate beneficial owner(s) are Independent Third Parties
<b>“Direct Lease Agreement I”</b>	the finance lease agreement dated 28 January 2016 entered into between the Company as lessor and Lessee E as lessee in relation to the lease of the Direct Lease Assets I to Lessee E
<b>“Direct Lease Agreement II”</b>	the finance lease agreement dated 15 April 2016 entered into between the Company as lessor and Lessee E as lessee in relation to the lease of the Direct Lease Assets II to Lessee E
<b>“Direct Lease Agreement III”</b>	the finance lease agreement dated 27 April 2016 entered into between the Company as lessor and Lessee E as lessee in relation to the lease of the Direct Lease Assets III to Lessee E
<b>“Direct Lease Agreement IV”</b>	the finance lease agreement dated 20 July 2016 entered into between the Company as lessor and Lessee E as lessee in relation to the lease of the Direct Lease Assets IV to Lessee E
<b>“Direct Lease Agreement V”</b>	the finance lease agreement dated 18 August 2016 entered into between the Company as lessor and Lessee E as lessee in relation to the lease of the Direct Lease Assets V to Lessee E
<b>“Direct Lease Agreement VI”</b>	the finance lease agreement dated 8 November 2016 entered into between the Company as lessor and Lessee E as lessee in relation to the lease of the Direct Lease Assets VI to Lessee E
<b>“Direct Lease Agreement VII”</b>	the finance lease agreement dated 14 November 2016 entered into between the Company as lessor and Lessee E as lessee in relation to the lease of the Direct Lease Assets VII to Lessee E

<b>“Direct Lease Agreement VIII”</b>	the finance lease agreement dated 23 December 2016 entered into between the Company as lessor and Lessee E as lessee in relation to the lease of the Direct Lease Assets VIII to Lessee E
<b>“Direct Lease Agreement IX”</b>	the finance lease agreement dated 22 March 2017 entered into between the Company as lessor and Lessee E as lessee in relation to the lease of the Direct Lease Assets IX to Lessee E
<b>“Direct Lease Agreement X”</b>	the finance lease agreement dated 14 September 2017 entered into between the Company as lessor and Lessee E as lessee in relation to the lease of the Direct Lease Assets X to Lessee E
<b>“Direct Lease Agreement XI”</b>	the finance lease agreement dated 22 December 2017 entered into between the Company as lessor and Lessee E as lessee in relation to the lease of the Direct Lease Assets XI to Lessee E
<b>“Direct Lease Agreements”</b>	the Direct Lease Agreement I, the Direct Lease Agreement II and the Direct Lease Agreement III, the Direct Lease Agreement IV, the Direct Lease Agreement V, the Direct Lease Agreement VI, the Direct Lease Agreement VII, the Direct Lease Agreement VIII, the Direct Lease Agreement IX, the Direct Lease Agreement X and the Direct Lease Agreement XI
<b>“Direct Lease Arrangements”</b>	the direct lease arrangement under the Finance Lease Agreements
<b>“Direct Lease Assets I”</b>	a batch of 2 pieces or sets of equipment referred to in the Sale and Purchase Agreement I and the Direct Lease Agreement I
<b>“Direct Lease Assets II”</b>	1 piece or set of equipment referred to in the Sale and Purchase Agreement II and the Direct Lease Agreement II
<b>“Direct Lease Assets III”</b>	a batch of 22 pieces or segments of equipment referred to in the Sale and Purchase Agreement III and the Direct Lease Agreement III

<b>“Direct Lease Assets IV”</b>	1 piece or set of equipment referred to in the Sale and Purchase Agreement IV and the Direct Lease Agreement IV
<b>“Direct Lease Assets V”</b>	a batch of 3 pieces or sets of equipment referred to in the Sale and Purchase Agreement V and the Direct Lease Agreement V
<b>“Direct Lease Assets VI”</b>	a batch of 3 pieces or sets of equipment referred to in the Sale and Purchase Agreement VI and the Direct Lease Agreement VI
<b>“Direct Lease Assets VII”</b>	1 piece or set of equipment referred to in the Sale and Purchase Agreement VII and the Direct Lease Agreement VII
<b>“Direct Lease Assets VIII”</b>	a batch of 33 pieces or sets of equipment referred to in the Sale and Purchase Agreement VIII and the Direct Lease Agreement VIII
<b>“Direct Lease Assets IX”</b>	a batch of 4 pieces or sets of equipment referred to in the Sale and Purchase Agreement IX and the Direct Lease Agreement IX
<b>“Direct Lease Assets X”</b>	a batch of 2 pieces or sets of equipment referred to in the Sale and Purchase Agreement X and the Direct Lease Agreement X
<b>“Direct Lease Assets XI”</b>	a batch of 9 pieces or sets of equipment referred to in the Sale and Purchase Agreement XI and the Direct Lease Agreement XI
<b>“Direct Lease Assets”</b>	the Direct Lease Assets I, the Direct Lease Assets II, the Direct Lease Assets III, the Direct Lease Assets IV, the Direct Lease Assets V, the Direct Lease Assets VI, the Direct Lease Assets VII, the Direct Lease Assets VIII, the Direct Lease Assets IX, the Direct Lease Assets X and the Direct Lease Assets XI
<b>“Directors”</b>	the directors of the Company
<b>“Finance Lease Agreements”</b>	the Previous Finance Lease Agreements and the Finance Lease Agreements XI

<b>“Finance Lease Agreements I”</b>	the Sale and Purchase Agreement I and the Direct Lease Agreement I
<b>“Finance Lease Agreements II”</b>	the Sale and Purchase Agreement II and the Direct Lease Agreement II
<b>“Finance Lease Agreements III”</b>	the Sale and Purchase Agreement III and the Direct Lease Agreement III
<b>“Finance Lease Agreements IV”</b>	the Sale and Purchase Agreement IV and the Direct Lease Agreement IV
<b>“Finance Lease Agreements V”</b>	the Sale and Purchase Agreement V and the Direct Lease Agreement V
<b>“Finance Lease Agreements VI”</b>	the Sale and Purchase Agreement VI and the Direct Lease Agreement VI
<b>“Finance Lease Agreements VII”</b>	the Sale and Purchase Agreement VII and the Direct Lease Agreement VII
<b>“Finance Lease Agreements VIII”</b>	the Sale and Purchase Agreement VIII and the Direct Lease Agreement VIII
<b>“Finance Lease Agreements IX”</b>	the Sale and Purchase Agreement IX and the Direct Lease Agreement IX
<b>“Finance Lease Agreements X”</b>	the Sale and Purchase Agreement X and the Direct Lease Agreement X
<b>“Finance Lease Agreements XI”</b>	the Sale and Purchase Agreement XI and the Direct Lease Agreement XI
<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange as amended, supplemented or otherwise modified from time to time
<b>“GEM”</b>	the Growth Enterprise Market operated by the Stock Exchange
<b>“Group”</b>	the Company and its subsidiaries as at the date of this announcement



<b>“Guarantor I”</b>	an individual who is the controlling shareholder, the chairman of the board of directors, the general manager and the legal representative of Lessee E and to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, an Independent Third Party
<b>“Guarantor II”</b>	an individual who is a shareholder, a director and a secretary to the board of directors of Lessee E and to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, an Independent Third Party
<b>“Guarantor III”</b>	an individual who is the legal representative of Supplier III and to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, an Independent Third Party
<b>“H Share(s)”</b>	the overseas-listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and are listed on the GEM
<b>“HK\$”</b>	the Hong Kong dollar(s), the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Independent Third Party(-ies)”</b>	third party(-ies) independent of and not connected with (within the meaning of the GEM Listing Rules) any directors, supervisors, chief executive or substantial shareholders of the Company, its subsidiaries and their respective associates
<b>“Lessee E”</b>	a joint stock company established in the PRC with limited liability and the lessee under the Finance Lease Agreements
<b>“Lessee Guarantors”</b>	Corporate Guarantor I, Corporate Guarantor II, Corporate Guarantor III, Guarantor I and Guarantor II
<b>“Listing”</b>	the listing of H Shares on GEM

<b>“PRC”</b>	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
<b>“Previous Finance Lease Agreements”</b>	the Finance Lease Agreements I, the Finance Lease Agreements II, the Finance Lease Agreements III, the Finance Lease Agreements IV, the Finance Lease Agreements V, the Finance Lease Agreements VI, the Finance Lease Agreements VII, the Finance Lease Agreements VIII, the Finance Lease Agreements IX and the Finance Lease Agreements X
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Sale and Purchase Agreement I”</b>	the sale and purchase agreement dated 28 January 2016 entered into among the Company as purchaser, Supplier I as seller and Lessee E as end user in relation to the sale and purchase of the Direct Lease Assets I
<b>“Sale and Purchase Agreement II”</b>	the sale and purchase agreement dated 15 April 2016 entered into among the Company as purchaser, Supplier II as seller and Lessee E as end user in relation to the sale and purchase of the Direct Lease Assets II
<b>“Sale and Purchase Agreement III”</b>	the sale and purchase agreement dated 27 April 2016 entered into among the Company as purchaser, Supplier I as seller and Lessee E as end user in relation to the sale and purchase of the Direct Lease Assets III
<b>“Sale and Purchase Agreement IV”</b>	the sale and purchase agreement dated 20 July 2016 entered into among the Company as purchaser, Supplier III as seller and Lessee E as end user in relation to the sale and purchase of the Direct Lease Assets IV
<b>“Sale and Purchase Agreement V”</b>	the sale and purchase agreement dated 18 August 2016 entered into among the Company as purchaser, Supplier I as seller and Lessee E as end user in relation to the sale and purchase of the Direct Lease Assets V
<b>“Sale and Purchase Agreement VI”</b>	the sale and purchase agreement dated 8 November 2016 entered into among the Company as purchaser, Supplier I as seller and Lessee E as end user in relation to the sale and purchase of the Direct Lease Assets VI

<b>“Sale and Purchase Agreement VII”</b>	the sale and purchase agreement dated 14 November 2016 entered into among the Company as purchaser, Supplier III as seller and Lessee E as end user in relation to the sale and purchase of the Direct Lease Assets VII
<b>“Sale and Purchase Agreement VIII”</b>	the sale and purchase agreement dated 23 December 2016 entered into among the Company as purchaser, Supplier IV as seller and Lessee E as end user in relation to the sale and purchase of the Direct Lease Assets VIII
<b>“Sale and Purchase Agreement IX”</b>	the sale and purchase agreement dated 22 March 2017 entered into among the Company as purchaser, Supplier I as seller and Lessee E as end user in relation to the sale and purchase of the Direct Lease Assets IX
<b>“Sale and Purchase Agreement X”</b>	the sale and purchase agreement dated 14 September 2017 entered into among the Company as purchaser, Supplier I as seller and Lessee E as end user in relation to the sale and purchase of the Direct Lease Assets X
<b>“Sale and Purchase Agreement XI”</b>	the sale and purchase agreement dated 22 December 2017 entered into among the Company as purchaser, Supplier I as seller and Lessee E as end user in relation to the sale and purchase of the Direct Lease Assets XI
<b>“Sale and Purchase Agreements”</b>	the Sale and Purchase Agreement I, the Sale and Purchase Agreement II, the Sale and Purchase Agreement III, the Sale and Purchase Agreement IV, the Sale and Purchase Agreement V, the Sale and Purchase Agreement VI, the Sale and Purchase Agreement VII, the Sale and Purchase Agreement VIII, the Sale and Purchase Agreement IX, the Sale and Purchase Agreement X and the Sale and Purchase Agreement XI
<b>“Share(s)”</b>	the ordinary share(s) with nominal value of RMB1.00 each in the capital of the Company
<b>“Shareholder(s)”</b>	holder(s) of the Share(s)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Supplier Guarantors”</b>	Supplier I, Supplier IV and Guarantor III

- “Supplier I”** a company established in the PRC with limited liability and principally engaged in the manufacturing, sales and maintenance of construction machineries and equipment and portable houses and to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, it and its ultimate beneficial owner(s) are Independent Third Parties
- “Supplier II”** a company established in the PRC with limited liability and principally engaged in the manufacturing and sales of construction machineries and to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, it and its ultimate beneficial owner(s) are Independent Third Parties
- “Supplier III”** a company established in the PRC with limited liability and principally engaged in the manufacturing of lifting machineries and construction machineries and to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, it and its ultimate beneficial owner(s) are Independent Third Parties
- “Supplier IV”** a company established in the PRC with limited liability and principally engaged in the manufacturing and sales of construction machineries and to the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, it and its ultimate beneficial owner(s) are Independent Third Parties
- “Suppliers”** Supplier I, Supplier II, Supplier III and Supplier IV
- “VAT”** value-added tax

On behalf of the Board  
**FY Financial (Shenzhen) Co., Ltd.**  
**Mr. Zhuang Wei**  
*Chairman*

Hong Kong, 22 December 2017

*As at the date of this announcement, the Board comprises:*

*Executive Directors:*

Mr. Li Peng (李鵬)

Mr. Weng Jianxing (翁建興)

*Non-executive Directors:*

Mr. Zhuang Wei (莊巍)

Mr. Qian Cheng (錢程)

Ms. Hui Ying (惠穎)

Mr. Sun Luran (孫路然)

*Independent non-executive Directors:*

Mr. Fung Che Wai Anthony (馮志偉)

Mr. Hon Leung (韓亮)

Mr. Liu Shengwen (劉升文)

*For the purpose of this announcement, translations of RMB into HK\$ or vice versa have been calculated by using an exchange rate of RMB0.8456 equal to HK\$1. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

*This announcement, for which all the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 in this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its posting. This announcement will also be published on the Company’s website at [www.fyleasing.com](http://www.fyleasing.com).*