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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)**

**RENEWAL OF THE GENERAL MANDATE IN RELATION TO  
THE FUTURE SUBSCRIPTIONS OF FINANCIAL PRODUCT**

Reference is made to the circular of the Company dated 28 May 2018 in relation to, among others, the Financial Product C, the Product C Future Subscription(s) and the Product C Subscription Mandate.

**PRODUCT C SUBSCRIPTION MANDATE**

As at the date of this announcement, the Company had not subscribed for any of the Financial Product C since the beginning of the First Mandate Period as not many idle funds were available and held by the Company during the same period. Depending on the availability and amount of idle funds held by the Company and the prevailing market condition, the Company intends to subscribe for the Financial Product C from time to time in the future in order to increase capital efficiency, lower the costs of idle funds and with a view towards the increase of the Group's returns.

In light of the approaching expiry date of the Product C Subscription Mandate on 16 July 2019, an ordinary resolution will be proposed at the AGM to approve the renewal of the Product C Subscription Mandate. Upon approval of the renewal of the Product C Subscription Mandate at the AGM, the Product C Subscription Mandate shall be valid for a period of twelve (12) months from the date on which the Product C Subscription Mandate is approved by the Shareholders.

The Directors consider that the Company should obtain the approval of the renewal of the Product C Subscription Mandate from the Shareholders in advance so as to allow flexibility in effecting the Product C Future Subscription(s) expeditiously when market conditions are favourable and subject to the parameters as set out below.

The renewal of the Product C Subscription Mandate shall be conditional upon the approval by the Shareholders at the AGM.

#### **GENERAL**

The AGM will be convened and held for the Shareholders, to consider and, if thought fit, approve the renewal of the Product C Subscription Mandate and such approval shall be obtained by way of a poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Product C Future Subscription(s) and the Product C Subscription Mandate and therefore, no Shareholder is required to abstain from voting for the resolutions to approve the renewal of Product C Subscription Mandate at the AGM.

A circular containing, among other things, further details of the Financial Product C, the Product C Future Subscription(s), the Product C Subscription Mandate, together with a notice of the AGM was despatched to the Shareholders on 7 March 2019.

Shareholders and investors should note that (i) the renewal of the Product C Subscription Mandate is subject to Shareholders' approval at the AGM and therefore the Product C Future Subscription(s) may or may not proceed; and (ii) there is no assurance that the Company will proceed with the Product C Future Subscription(s) within any particular time frame after obtaining the renewal of the Product C Subscription Mandate. Whether and when the Company will embark on any of the Product C Future Subscription(s) depends on a number of factors including the then availability and amount of idle funds held by the Company and the prevailing market conditions at the relevant time. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.

## **INTRODUCTION**

Reference is made to the circular of the Company dated 28 May 2018 in relation to, among others, the Financial Product C, the Product C Future Subscription(s) and the Product C Subscription Mandate.

As at the date of this announcement, the Company had not subscribed for any of the Financial Product C since the beginning of the First Mandate Period as not many idle funds were available and held by the Company during the same period. Depending on the availability and amount of idle funds held by the Company and the prevailing market condition, the Company intends to subscribe for the Financial Product C from time to time in the future in order to increase capital efficiency, lower the costs of idle funds and with a view towards the increase of the Group's returns.

In light of the approaching expiry date of the Product C Subscription Mandate on 16 July 2019, an ordinary resolution will be proposed at the AGM to approve the renewal of the Product C Subscription Mandate. Upon approval of the renewal of the Product C Subscription Mandate at the AGM, the Product C Subscription Mandate shall be valid for a period of twelve (12) months from the date on which the Product C Subscription Mandate is approved by the Shareholders.

The Directors consider that the Company should obtain the approval of the renewal of the Product C Subscription Mandate from the Shareholders in advance so as to allow flexibility in effecting the Product C Future Subscription(s) expeditiously when market conditions are favourable and subject to the parameters as set out below.

## **PRODUCT C SUBSCRIPTION MANDATE**

The Product C Subscription Mandate to be sought from the Shareholders will be on the following terms.

Mandate period: The Product C Subscription Mandate to be sought from the Shareholders shall be valid for a period of twelve (12) months from the date on which the Product C Subscription Mandate is approved by the Shareholders.

Maximum daily balance of the principal amount of the Financial Product C: The Product C Subscription Mandate authorises and empowers the Board to subscribe for the Financial Product C on one or more occasions to the extent that the maximum daily balance of the principal amount of the Financial Product C at any time during the above mandate period shall not exceed RMB102,480,000 (equivalent to approximately HK\$120,056,233), which was determined based on 120% of the historical maximum daily balance of the principal amount of the Financial Product C held by the Company during 2017.

Parameters to consider prior to the effect of the Product C Future Subscription(s): The Product C Future Subscription(s) will be conducted through on-market transactions from the Shanghai Stock Exchange or the Shenzhen Stock Exchange where the relevant Financial Product C are listed.

In deciding whether or not to effect the Product C Future Subscription(s) and the constitution of the product portfolio under the Product C Subscription Mandate, the Directors will take into account, among others, (i) the amount of idle funds at hand; (ii) the period that such amount of idle funds would be available; (iii) the prevailing market conditions; (iv) the prevailing rate of return of the different securities products under the Financial Product C and other available financial products with similar investment periods as that of the Financial Product C; and (v) the overall investment return that could be generated by different types of product portfolios during the same specific investment period. Such decision by the Directors will be subject to the following conditions:

- (i) the investment period of the Product C Future Subscription(s) will accommodate to the short-term available idle funds, i.e. idle funds generally being available for seven days or less, and be subject to the prerequisite that all funding requirements from the Company's normal and ordinary business operations have been fulfilled;

- (ii) the Product C Future Subscription(s) will only be conducted with the product portfolio that could generate the highest overall investment return during the same specific investment period under the Product C Subscription Mandate, and only when such overall investment return is higher than those generated from the other available financial products with similar investment periods as that of the Financial Product C, such as the Financial Product A and the Financial Product B;
- (iii) the Product C Future Subscription(s) will be conducted on normal commercial terms and will be fair and reasonable and in the interests of the Company and the Shareholders as a whole;
- (iv) the consideration for the Product C Future Subscription(s) pursuant to the Product C Subscription Mandate will be funded by the idle fund of the Group and will be settled in cash; and
- (v) the Product C Future Subscription(s) will only be conducted when the annualised rate of return of the Financial Product C is higher than the bank deposit interest rate in the PRC at the relevant time.

Although the Company used to invest in the Financial Product D, the Company will not take into account the returns from the Financial Product D in deciding whether or not to effect the Product C Future Subscription(s) and the constitution of the product portfolio under the Product C Subscription Mandate considering that the Product C Future Subscription(s) will only be utilised to accommodate the short-term available idle funds, i.e. idle funds generally being available for seven days or less, while the investment period of the Financial Product D lasts for one year commencing from the subscription date.

**Redemption:**

All the principal amounts of the Financial Product C shall be redeemed automatically at their respective maturity dates.

Scope of authority: The Board is authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the Product C Future Subscription(s), including but not limited to (i) the number of batches of subscriptions; (ii) the total principal amount to be subscribed for in each subscription (subject to parameters set out in the paragraph above); and (iii) the timing of each subscription.

Investment periods: The investment periods of the Financial Product C range from one (1) to seven (7) days.

Investment portfolio: The Financial Product C consists of 10 types of securities products with treasury bonds as the underlying securities listed and traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange. Details of such securities products are set out as follows.

Securities short name	Issuer	Relevant stock exchange where such securities are listed and traded	Securities code	Investment Period
GC001	Shanghai Stock Exchange	Shanghai Stock Exchange	204001	One day
GC002	Shanghai Stock Exchange	Shanghai Stock Exchange	204002	Two days
GC003	Shanghai Stock Exchange	Shanghai Stock Exchange	204003	Three days
GC004	Shanghai Stock Exchange	Shanghai Stock Exchange	204004	Four days
GC007	Shanghai Stock Exchange	Shanghai Stock Exchange	204007	Seven days
R-001	Shenzhen Stock Exchange	Shenzhen Stock Exchange	131810	One day
R-002	Shenzhen Stock Exchange	Shenzhen Stock Exchange	131811	Two days
R-003	Shenzhen Stock Exchange	Shenzhen Stock Exchange	131800	Three days
R-004	Shenzhen Stock Exchange	Shenzhen Stock Exchange	131809	Four days
R-007	Shenzhen Stock Exchange	Shenzhen Stock Exchange	131801	Seven days

The underlying transaction arrangement:	Transaction of the Financial Product C involves a pledge of treasury bonds in exchange of funds with a commitment by the party which is in need of funds (such as banks, securities companies, trust companies) to buy back the treasury bonds at an agreed price, which is equivalent to the principal amount of the funds and the pre-determined amount of interest calculated based on the prevailing market interest rate, on a specified maturity date. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the Latest Practicable Date, none of the connected persons or associates of the Company were any of such parties in need of funds. The Company will ensure that for any Product C Future Subscription(s) they make, the parties in need of funds in the underlying collateral arrangement with the relevant stock exchange are Independent Third Parties.
Collateral:	Treasury bonds of the party which is in need of funds is pledged as the collateral to China Securities Depository and Clearing Corporation (“CSDCC”), a company jointly owned by the Shanghai Stock Exchange and the Shenzhen Stock Exchange which serves as the collateral agent and clearing and settlement agent of such securities product.
Risk-return profile:	As the treasury bonds are pledged as part of the transaction of the Financial Product C, the Financial Product C is a secured investment product with guaranteed principal amount and guaranteed return.
Risk exposure:	Risks in relation to the Financial Product C generally include (i) the market risks; (ii) the interest rate risks; and (iii) the performance risks.

Market risks generally refer to the risks from the macroeconomic environment where changes in macroeconomic indexes such as the interest rate and the foreign exchange rate may have impact on the fluctuation of the rate of return of the Financial Product C where the overall investment return from the subscriptions of the Financial Product C during specific periods may be affected. The Directors are of the view that the Company's exposure to such market risks will be very minimal considering that the Product C Future Subscription(s) will only be conducted when the annualised rate of return of the Financial Product C is higher than the bank deposit interest rate in the PRC at the relevant time.

Interest rate risks generally refer to the risks from the fluctuation of the interest rate which may have impact on the fluctuation of the rate of return of the Financial Product C where the overall investment return from the subscriptions of the Financial Product C during specific periods may be affected. The Directors are of the view that the Company is not exposed to any interest rate risks as the rate of return is fixed at the time when the Company subscribes for the Financial Product C. Accordingly, any changes in the interest rate during the relevant investment period will have no impact on the total investment return that the Company is entitled to from such subscription of the Financial Product C.



Performance risks generally refer to the risks from any default by the party in need of funds in the collateral arrangement with CSDCC in relation to the Product C Future Subscription(s). The Directors are of the view that the Company is not exposed to any performance risks from its Product C Future Subscription(s) as the Shanghai Stock Exchange and the Shenzhen Stock Exchange, through CSDCC, act as the transaction counterparty when the Company subscribes for the Financial Product C. In the case of any default by the party in need of funds in the collateral arrangement with CSDCC, the Company's entitlement to both the principal amounts and the investment return from the Product C Future Subscription(s) will not be affected as such principal amounts and investment return will be directly paid by the Shanghai Stock Exchange and the Shenzhen Stock Exchange to the Company through CSDCC which will have the right of recourse towards the default party who has pledged relevant treasury bonds as the collateral with them in the collateral arrangement with CSDCC. Since the first subscription of the Financial Product C by the Company, both the Shanghai Stock Exchange and the Shenzhen Stock Exchange, as the issuers of the Financial Product C, have never defaulted in their payment of both the principal amounts and the investment return of the Financial Product C to the Company, and to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, they are not aware of any default by the party in need of funds in the collateral arrangement with CSDCC.

The market risks, the interest rate risks and the performance risks are all systematic risks which are un-diversifiable uncertainty inherent to the Product C Future Subscription(s) and are known by the Company prior to the Product C Future Subscription(s). As such, and in light of the reasoning above where the Directors conclude that the Company is not exposed to or is only exposed to very minimal market risks, interest rate risks and performance risks, the Directors are of the view that it is not necessary to conduct risk assessment on the Financial Product C prior to the Product C Future Subscription(s).

Expenses and charges:

Depending on the length of investment period of the Financial Product C subscribed, an amount equivalent to certain percentage, ranging from 0.001% to 0.005%, of the total principal amount of the Financial Product C subscribed for by the Company is charged as the commission.

Investment return:

The investment return from each type of securities products under the Financial Product C shall be calculated based on the following formula:

$$\text{Investment return} = a \times b \times \frac{c}{365}$$

a = the principal amounts of the relevant securities product subscribed for by the Company under the Product C Subscription Mandate

b = the annualised rate of return of the relevant securities product at the relevant time

c = actual days of investment of the relevant securities product

Historical annualised rate of return:

During the period from 1 March 2018 to 22 March 2019, the annualised rate of return of the Financial Product C varied in the range between approximately 0.001% and approximately 22.0%. The average annualised rate of return of the Financial Product C amounted to 2.8258% during the same period. Such rates are available from the websites of the Shanghai Stock Exchange or the Shenzhen Stock Exchange. Although the annualised rate of return varied significantly during the above period, the Directors consider that the Product C Future Subscription(s) under the Product C Subscription Mandate would be in the best interest of the Company and the Shareholders as a whole as (i) the highest and lowest annualised rates of return only occurred at limited time (each of the highest and lowest annualised rates of return occurred only for one day during the above period) and for most of the time during the above period the rates did not deviate much from the average level; and (ii) the flexibility in subscription(s) of the Financial Product C in terms of its various short term investment periods which accommodates well to the Company's idle funds available from time to time where the Company would be able to generate more returns from investing such idle funds in the Financial Product C than that from depositing the same with the commercial banks in the PRC.

Set out below are the historical highest, lowest and average annualised rate of return of each type of securities products under the Financial Product C during the period from 1 March 2018 to 22 March 2019.

Securities short name	Issuer	Relevant stock Exchange where such securities are listed and traded	Securities code	Historical annualised rate of return during the period from 1 March 2018 to 22 March 2019		
				<i>Highest</i>	<i>Lowest</i>	<i>Average</i>
GC001	Shanghai Stock Exchange	Shanghai Stock Exchange	204001	22.0000%	0.0900%	3.1393%
GC002	Shanghai Stock Exchange	Shanghai Stock Exchange	204002	17.8800%	0.0050%	3.1326%
GC003	Shanghai Stock Exchange	Shanghai Stock Exchange	204003	16.0000%	0.0100%	3.1671%
GC004	Shanghai Stock Exchange	Shanghai Stock Exchange	204004	15.0000%	0.2650%	3.2053%
GC007	Shanghai Stock Exchange	Shanghai Stock Exchange	204007	10.0000%	0.6000%	3.2772%
R-001	Shenzhen Stock Exchange	Shenzhen Stock Exchange	131810	14.0000%	0.0010%	2.4158%
R-002	Shenzhen Stock Exchange	Shenzhen Stock Exchange	131811	12.1400%	0.0010%	2.1800%
R-003	Shenzhen Stock Exchange	Shenzhen Stock Exchange	131800	12.2050%	0.0010%	2.3232%
R-004	Shenzhen Stock Exchange	Shenzhen Stock Exchange	131809	10.0000%	0.0010%	2.5589%
R-007	Shenzhen Stock Exchange	Shenzhen Stock Exchange	131801	11.0000%	0.0010%	2.8582%

Historical bank deposit rate:

During the period from 1 March 2018 to 22 March 2019, the bank deposit rate was 0.35% per annum, which was available from the website of the People's Bank of China.

Expected annualised rate of return:

The expected annualised rate of return of the Financial Product C shall fluctuate based on the prevailing market condition at the relevant time. In any event, the expected annualised rate of return shall not be lower than the bank deposit interest rate in the PRC at the relevant time and the historical annualised rate of return of the Financial Product C, in particular its historical average rate can serve as a reference of the expected performance of the Financial Product C.

Use of proceeds: The net gain from the Product C Future Redemption(s) will be used as general working capital of the Group.

Internal control: The effect of the Product C Future Subscription(s) under the Product C Subscription Mandate shall be subject to the following internal control measures and procedures:

- (i) a designated staff of the finance department of the Company shall keep monitoring the cashflow report of the Company and identify the period and amount of idle funds that will be available from time to time. Based on the information collected from such daily monitoring work, the staff may then propose a Financial Product C product portfolio for subscription during a specific investment period, and shall further prepare a detailed information table containing, among others, the period and amount of idle funds that will be available, the annualised rate of return of the securities products listed in the proposed product portfolio, other available securities products under the Finance Product C as well as other available financial products with similar investment periods as that of the Financial Product C at the relevant time, and the bank deposit interest rate at the same relevant time. The staff at the finance department of the Company shall check the latest bank deposit interest rate published on the website of the People's Bank of China at the beginning of each month. As such bank deposit interest rate generally does not vary significantly within a short period of time, the Board considers the above arrangement in benchmarking, checking and updating the bank deposit interest rate be appropriate and reasonable;

- (ii) the manager of the finance department shall then review such investment proposal based on comparison of the information listed in the aforesaid table, and decide whether or not such subscription proposal shall be the best investment option for the Company to choose among all the investment options available if the investment is made with the same amount of idle funds and during the same specific investment period;
- (iii) such investment proposal shall then be submitted to the head of the finance department for review and comment for the purpose of complying with the Product C Subscription Mandate where the proposed subscription amount of the Financial Product C under the investment proposal will be aggregated with any outstanding balance amount of the Financial Product C previously subscribed for by the Company to make sure that the daily balance of the principal amount of the Financial Product C shall not exceed the approved limit of the Product C Subscription Mandate; and
- (iv) if all the above approval and review procedures are passed, all the information and comments shall then be consolidated for the final review and approval of the general manager of the Company who will decide whether to effect the Product C Future Subscription(s) under the Product C Subscription Mandate or not.

The renewal of the Product C Subscription Mandate shall be conditional upon the approval by the Shareholders at the AGM.

## **INFORMATION ON THE PARTIES**

### **The Company**

The Company and its subsidiaries are principally engaged in the provision of finance leasing, factoring, advisory services and customer referral services and the supply of medical equipment in the PRC.

### **The Shanghai Stock Exchange and the Shenzhen Stock Exchange**

The Shanghai Stock Exchange and the Shenzhen Stock Exchange are non-profit organisations administered by the China Securities Regulatory Commission (中國證券監察委員會) and are principally engaged in providing a business platform for the comprehensive exchange with stocks, bonds, funds and derivative products. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Shanghai Stock Exchange and the Shenzhen Stock Exchange and their respective ultimate beneficial owners are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE PRODUCT C FUTURE SUBSCRIPTION(S) AND THE RENEWAL OF THE PRODUCT C SUBSCRIPTION MANDATE**

Prior to and after the Listing, the Group invested its idle funds in financial assets with a low-risk profile. The primary purpose of such investments was to increase capital efficiency and lower the costs of idle funds. With a view towards the increase of the Group's returns, the Group intends to continue investing in similar financial assets with a low-risk profile. Pursuant to the Group's investment policy, the Group generally invests in low-risk financial products with an investment horizon of one year or less, and will not invest in high-risk financial products such as equity and debt securities issued by non-listed or non-state owned enterprises.

The Directors consider that since the Financial Product C is principal-protected upon maturity and is of high liquidity nature, the Product C Future Subscription(s) is consistent with the Group's investment policy. The Directors expect that the Product C Future Subscription(s) will not adversely affect the working capital sufficiency of the Group given (i) the investment in the Financial Product C will be funded by the idle funds of the Group; (ii) the Financial Product C can be redeemed within one to seven days; and (iii) the redeemed principal amounts will be used to re-invest in the Financial Product C or other similar financial products. Accordingly, the Directors (including independent non-executive Directors) consider that the Product C Future Subscription(s) and the Product C Subscription Mandate will be made on normal commercial terms and that the terms are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

The Company intends to seek the Shareholders' approval for the renewal of the Product C Subscription Mandate for the Product C Future Subscription(s). The Directors consider that the Company should obtain the approval of the renewal of the Product C Subscription Mandate from the Shareholders in advance so as to allow flexibility in effecting the Product C Future Subscription(s) expeditiously when market conditions are favourable. The Directors also consider that the limit of the Product C Subscription Mandate which was determined based on the historical maximum daily balance of the principal amount of the Financial Product C held by the Company during 2017 plus a buffer of 20% is fair and reasonable and is in the interest of the Company and the Shareholders as a whole, as the return of the Company's historical investment in the Financial Product C during 2017 were quite stable and met the Company's expectation where the Company intends to increase its subscription in the Financial Product C during the mandate period.

## **GENERAL**

The AGM will be convened and held for the Shareholders, to consider and, if thought fit, approve the renewal of the Product C Subscription Mandate and such approval shall be obtained by way of a poll. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Product C Future Subscription(s) and the Product C Subscription Mandate and therefore, no Shareholder is required to abstain from voting for the resolutions to approve the renewal of the Product C Subscription Mandate at the AGM.

A circular containing, among other things, further details of the Financial Product C, the Product C Future Subscription(s), the Product C Subscription Mandate, together with a notice of the AGM was despatched to the Shareholders on 7 March 2019.

If, the approval of the renewal of the Product C Subscription Mandate is not obtained at the AGM and after the expiry of the First Mandate Period on 16 July 2019, the Company continues to subscribe for the Financial Product C which will constitute a discloseable transaction, the Company will strictly comply with Chapter 19 of the GEM Listing Rules.

**Shareholders and investors should note that (i) the renewal of the Product C Subscription Mandate are subject to Shareholders' approval at the AGM and therefore the Product C Future Subscription(s) may or may not proceed; and (ii) there is no assurance that the Company will proceed with the Product C Future Subscription(s) within any particular time frame after obtaining the renewal of the Product C Subscription Mandate. Whether and when the Company will embark on the Product C Future Subscription(s) depends on a number of factors including the then availability and amount of idle funds held by the Company and the prevailing market conditions at the relevant time. As such, Shareholders and investors are urged to exercise caution when dealing in the Shares.**



## DEFINITIONS

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

“AGM”	the annual general meeting to be convened by the Company to consider, and, if thought fit, to approve, among others, the renewal of the Product C Subscription Mandate
“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 GEM
“Directors”	the directors of the Company
“Financial Product A”	“Micro-Yuebao (小微餘額寶)” launched by Guangdong Huaxing Bank Co., Ltd. (廣東華興銀行)
“Financial Product B”	“Ben Li Feng — Every Day Return” (本利豐天天利) launched by Agricultural Bank of China Limited (中國農業銀行股份有限公司)
“Financial Product C”	short term financial product traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange with treasury bonds as collateral
“Financial Product D”	a type of interest rate linked structured product namely “CNYS18” launched by China Minsheng Bank Co., Ltd. (中國民生銀行股份有限公司)
“First Mandate Period”	the mandate period of twelve (12) months from the date on which the Product C Subscription Mandate was approved by the Shareholders at the general meeting of the Shareholders on 17 July 2018
“GEM”	the GEM operated by the Stock Exchange

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries as at the date of this announcement
“H Share(s)”	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
“HK\$”	the Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	third parties 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
“Listing”	the listing of H Shares on GEM
“PRC”	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
“Product C Future Subscription(s)”	subscription(s) of the Financial Product C by the Company from time to time on one or more occasions
“Product C Future Redemption(s)”	automatic redemption(s) of the Financial Product C upon the respective maturity dates from time to time

“Product C Subscription Mandate”	the specific mandate to be granted by the Shareholders to the Directors to effect subscription on one or more occasions from time to time to the extent that the maximum daily balance of the principal amount of the Financial Product C at any time during the mandate period shall not exceed RMB102,480,000 (equivalent to approximately HK\$120,056,233)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) with nominal value of RMB1.00 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 3 April 2019

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

*Executive Directors:*

Mr. Li Peng (李鵬)

Mr. Weng Jianxing (翁建興)

Ms. Wang Ying (王瑩)

*Non-executive Directors:*

Mr. Zhuang Wei (莊巍)

Mr. Qian Cheng (錢程)

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 RMB0.8536 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).*