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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)

MAJOR TRANSACTION

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

Reference is made to the Previous Subscription Announcement regarding the subscriptions of the Financial Product C by the Company on several occasions during 23 May 2017 to 9 June 2017.

PRODUCT C SUBSCRIPTION MANDATE

As at the date of this announcement, the Company did not hold any of the Financial Product C. 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.

The Company intends to seek the Shareholders' approval for the Product C Future Subscription(s) and the Product C Subscription Mandate. The Directors consider that the Company should obtain the approval 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 Product C Future Subscription(s) and the Product C Subscription Mandate shall be conditional upon the approval by the Shareholders at the General Meeting.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) for the Product C Future Subscription(s) and the Product C Subscription Mandate is or are more than 25% but less than 100%, the Product C Future Subscription(s) and the Product C Subscription Mandate constitute major transaction(s) of the Company and are subject to the announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

GENERAL

The General Meeting will be convened and held for the Shareholders, to consider and, if thought fit, approve the Product C Future Subscription(s) and the grant 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 Product C Future Subscription(s) and the Product C Subscription Mandate at the General Meeting.

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 General Meeting will be despatched to the Shareholders on or before 28 March 2018.

Shareholders and investors should note that (i) the Product C Future Subscription(s) and the grant of the Product C Subscription Mandate are subject to Shareholders' approval at the General Meeting and therefore the Product C Future Subscription(s) may or may not proceed; and (ii) there is no assurance that the Company will proceed the Product C Future Subscription(s) within any particular time frame after obtaining 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 Previous Subscription Announcement regarding the subscriptions of the Financial Product C by the Company on several occasions from 23 May 2017 to 9 June 2017.

Prior to the Listing, the Company subscribed for the Financial Product C from time to time. After the Listing, the Company subscribed for the Financial Product C on nine occasions through on-market transactions from the Shanghai Stock Exchange and the Shenzhen Stock Exchange during 23 May 2017 to 9 June 2017. All the principal amounts of the Financial Product C were automatically redeemed at their respective maturity dates on 10 occasions during 23 May 2017 to 12 June 2017.

As at the date of this announcement, the Company did not hold any of the Financial Product C. 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.

The Company intends to seek the Shareholders' approval for the Product C Future Subscription(s) and the Product C Subscription Mandate. The Directors consider that the Company should obtain the approval 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\$126,534,140), 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) may 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), the Directors will take into account the prevailing market conditions and the prevailing market prices of the Financial Product C, subject to the following conditions:

- (i) 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;
- (ii) 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;
- (iii) 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.

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 various types of securities products with treasury bonds as the underlying securities listed and traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange.
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.
Collateral:	Treasury bonds of the party which is in need of funds is pledged as the collateral to China Securities Depository and Clearing Corporation, 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 is 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.
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.

Historical annualised rate of return:	During the period from 1 January 2017 to 28 February 2018, the annualised rate of return of the Financial Product C varied in the range between approximately 0.001% and approximately 17.70%. The average annualised rate of return of the Financial Product C amounted to 3.48% during the same period. Such rates are available from the websites of the Shanghai Stock Exchange or the Shenzhen Stock Exchange.
Expected annualised rate of return:	Although the expected annualised rate of return of the Financial Product C shall fluctuate based on the prevailing market condition at the relevant time, barring from any unforeseen circumstances, the Directors believe that the annualised rate of return of the Financial Product C during the mandate period will likely fall within the range of the historical annualised rate of return.
Use of proceeds:	The net gain from the Product C Future Redemption(s) will be used as general working capital of the Group.

The Product C Future Subscription(s) and the Product C Subscription Mandate shall be conditional upon the approval by the Shareholders at the General Meeting.

INFORMATION ON THE PARTIES

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.

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 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 Product C Subscription Mandate for the Product C Future Subscription(s). The Directors consider that the Company should obtain the approval 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.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) for the Product C Future Subscription(s) and the Product C Subscription Mandate is or are more than 25% but less than 100%, the Product C Future Subscription(s) and the Product C Subscription Mandate constitute major transaction(s) of the Company and are subject to the announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

GENERAL

The General Meeting will be convened and held for the Shareholders, to consider and, if thought fit, approve the Product C Future Subscription(s) and the grant 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 Product C Future Subscription(s) and the Product C Subscription Mandate at the General Meeting.

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 General Meeting will be despatched to the Shareholders on or before 28 March 2018.

If, during the period from the date of this announcement up to the date of the General Meeting, 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 Product C Future Subscription(s) and the grant of the Product C Subscription Mandate are subject to Shareholders' approval at the General Meeting 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 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:

“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 C”	short term financial product traded on the Shanghai Stock Exchange or the Shenzhen Stock Exchange with treasury bonds as collateral
“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
“General Meeting”	the general meeting to be convened by the Company to consider, and, if thought fit, to approve, among others, the Product C Future Subscription(s) and the grant of the Product C Subscription Mandate
“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
“Previous Subscription Announcement”	the announcement of the Company dated 21 June 2017
“Product C Future Redemption(s)”	automatic redemption(s) of the Financial Product C upon the respective maturity dates from time to time
“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 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\$126,534,140)
“Prospectus”	the prospectus of the Company dated 10 May 2017 relating to the offer of 89,840,000 H Shares
“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, 9 March 2018

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 RMB0.8099 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 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.