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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)**

**(1) NEW CONTINUING CONNECTED TRANSACTIONS IN  
RELATION TO THE FACTORING AGREEMENT I  
AND  
(2) REVISION OF ANNUAL CAPS OF EXISTING CONTINUING  
CONNECTED TRANSACTIONS UNDER  
THE FINANCE LEASE AGREEMENTS I**

**NEW CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE  
FACTORING AGREEMENT I**

On 9 October 2017, Fullin Factoring, a wholly-owned subsidiary of the Company, entered into the Factoring Agreement I with Longding Huayuan, pursuant to which Fullin Factoring has agreed to provide the accounts receivable factoring services for Longding Huayuan for a term of three years commencing from the Effective Date with a facility in the factoring principal amount of RMB41,800,000 (equivalent to approximately HK\$49,193,833).

**REVISION OF ANNUAL CAPS OF EXISTING CONTINUING CONNECTED  
TRANSACTIONS UNDER THE FINANCE LEASE AGREEMENTS I**

Reference is made to the Prospectus in relation to the provision of the finance lease services by the Company to Longding Huayuan under the Finance Lease Agreements I entered into between both parties prior to the Listing.

As the transactions contemplated under the Finance Lease Agreements I and the Factoring Agreement I are entered into between the Group and Longding Huayuan, these transactions have to be aggregated under Rule 20.79 of the GEM Listing Rules. Accordingly, the Company proposes revising the Existing Annual Caps by taking into account (i) the maximum outstanding balance of the finance lease principal amount and

the retention consideration (if applicable) payable by Longding Huayuan to the Company under the Finance Lease Agreements I for each of the three years ending 31 December 2019; and (ii) the maximum outstanding balance of the factoring principal amount, the factoring interest and the management fee payable by Longding Huayuan to Fullin Factoring under the Factoring Agreement I for each of the four years ending 31 December 2020, respectively, such that the Revised Aggregated Annual Caps for each of the four years ending 31 December 2020 will be RMB48,200,000 (approximately to HK\$56,725,903), RMB48,400,000 (approximately to HK\$56,961,280), RMB31,000,000 (approximately to HK\$36,483,465) and RMB16,000,000 (approximately to HK\$18,830,175), respectively.

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

Longding Huayuan is a non-wholly owned subsidiary of Dayuan Tiandi, a substantial shareholder of the Company who is interested in 80,000,000 Domestic Shares, representing approximately 22.26% of the total number of issued Shares as at the date of this announcement, and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Factoring Agreement I constitutes continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) as defined in the GEM Listing Rules in respect of the transactions contemplated under the Factoring Agreement I is less than 25% on an annual basis, but the total consideration under the Factoring Agreement I will be not less than HK\$10,000,000, such transactions constitute non-exempt continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules and are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under the GEM Listing Rules.

Pursuant to Rule 20.52(2) of the GEM Listing Rules, if the Company proposes revising the annual caps for continuing connected transactions, the Company will have to re-comply with the relevant provisions under Chapter 20 of the GEM Listing Rules. In respect of the revision of the Existing Annual Caps and the aggregation of the transactions contemplated under the Finance Lease Agreements I and the Factoring Agreement I pursuant to Rule 20.79 of the GEM Listing Rules, as one or more of the applicable percentage ratios (other than the profits ratio) as defined in the GEM Listing Rules is less than 25% on an annual basis, but the total consideration of the the Finance Lease Agreements I and the Factoring Agreement I will be not less than HK\$10,000,000, the Revised Aggregated Annual Caps are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under the GEM Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders on the terms of the Factoring Agreement I and the Revised Aggregated Annual Caps. The Company will appoint the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

#### **GENERAL**

The EGM will be convened for the purpose of, among other things, considering and, if deemed appropriate, approving the Factoring Agreement I and the transactions contemplated thereunder and the Revised Aggregated Annual Caps.

A circular containing, among other things, further details of the Factoring Agreement I, the Revised Aggregated Annual Caps, letters from the Independent Board Committee and the Independent Financial Adviser, a notice convening the EGM and other information as required under the GEM Listing Rules, will be despatched to the Shareholders on or before 30 October 2017 pursuant to Rule 20.66(11) of the GEM Listing Rules.

Dayuan Tiandi and its associates will abstain from voting on the resolutions in respect of the Factoring Agreement I, the transactions contemplated thereunder and the Revised Aggregated Annual Caps to be put forward at the EGM.

#### **NEW CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE FACTORING AGREEMENT I**

On 9 October 2017, Fullin Factoring, a wholly-owned subsidiary of the Company, entered into the Factoring Agreement I with Longding Huayuan, pursuant to which Fullin Factoring has agreed to provide the accounts receivable factoring services for Longding Huayuan with a facility in the factoring principal amount of RMB41,800,000 (equivalent to approximately HK\$49,193,833) in return for (i) factoring interest and management fee income; and (ii) transfer of the legal title of accounts receivable from Longding Huayuan to Fullin Factoring. If there is any event of default of the terms of the Factoring Agreement I, Fullin Factoring may exercise its right of recourse and demand for repurchase of the accounts receivable by Longding Huayuan. In such event, Longding Huayuan shall be liable to pay the factoring expenses, the default compensation and the outstanding factoring principal amount to Fullin Factoring.

The principal terms of the Factoring Agreement I are set out as follows:

<b>Date of agreement:</b>	9 October 2017
<b>Parties:</b>	Fullin Factoring (as factor) Longding Huayuan (as seller)
<b>Type of facility:</b>	One-off and with recourse
<b>Condition precedent:</b>	<p>The Factoring Agreement I is conditional upon the fulfilment of the requirements of the GEM Listing Rules by the Company in respect of the transactions contemplated under the Factoring Agreement I, including obtaining the necessary approval from the Independent Shareholders.</p> <p>If the above condition is not fulfilled by 31 March 2018 (or such other time as Fullin Factoring and Longding Huayuan may agree), the Factoring Agreement I shall be terminated.</p>
<b>Financing term:</b>	Three years commencing from the Effective Date.
<b>Transfer of accounts receivable:</b>	Subject to the terms and conditions of the Factoring Agreement I, the accounts receivable of Longding Huayuan as referred to in the underlying transaction documents entered into between the parties pursuant to the Factoring Agreement I shall be assigned to Fullin Factoring.
<b>Factoring principal amount:</b>	<p>RMB41,800,000 (equivalent to approximately HK\$49,193,833), which was determined after arm's length negotiations between Fullin Factoring and Longding Huayuan with reference to the lending capacity of Fullin Factoring, the funding need and the repayment capability of Longding Huayuan.</p> <p>The provision of factoring principal amount to Longding Huayuan under the Factoring Agreement I will be financed by internal resources of the Group.</p>
<b>Payment of factoring principal amount:</b>	Subject to the satisfaction of the terms and conditions as set out in the Factoring Agreement I and the fulfilment of condition precedent as set out in the paragraph headed "Condition Precedent" above, Fullin Factoring shall pay the factoring principal amount to Longding Huayuan, which shall represent the accounts receivable being assigned to Fullin Factoring times the factor ratio, in accordance with the terms of such agreement.

**Factor ratio:** The factor ratio, which represents the ratio of the maximum factoring principal amount to the accounts receivable being assigned under the Factoring Agreement I, is no more than 80%.

**Factoring interest:** The factoring interest shall be calculated based on the following formula:

$$A \times B \times \frac{C}{360}$$

*A* = the outstanding balance of the factoring principal amount

*B* = the interest rate of 10.5% per annum

*C* = the actual number of days of the advancement

The factoring interest was determined after arm's length negotiation between Fullin Factoring and Longding Huayuan after taking into account the prevailing market rate of interest for factoring transactions, the risk associated with the factoring activity under the Factoring Agreement I, including but not limited to, the business, the financial condition and the repayment capability of Longding Huayuan.

The factoring interest shall be payable by Longding Huayuan to Fullin Factoring on a monthly basis pursuant to the terms of the Factoring Agreement I.

**Management fee:** In consideration of the accounts receivable factoring services provided by Fullin Factoring, Longding Huayuan shall pay a non-refundable management fee to Fullin Factoring in the amount of RMB627,000 (equivalent to approximately HK\$737,907), which was determined with reference to the factoring principal amount provided by Fullin Factoring to Longding Huayuan under the Factoring Agreement I.

<b>Outstanding balance of factoring principal amount, factoring interest and management fee:</b>	The aggregate of the outstanding balance of factoring principal amount, factoring interest and management fee under the Factoring Agreement I are as follows:		
			<i>(Equivalent amount of HK\$)</i>
	<b>For the year ending 31 December</b>	<i>RMB (Approx.)</i>	<i>(Approx.)</i>
	2017	43,000,000	50,606,096
	2018	46,000,000	54,136,754
	2019	31,000,000	36,483,465
	2020	16,000,000	18,830,175

**Repayment of the factoring principal amount:** The factoring principal amount is repayable by instalments semi-annually pursuant to the terms and conditions of the Factoring Agreement I and the underlying transaction documents entered into between the parties pursuant to the Factoring Agreement I.

**Factoring expenses:** The factoring expenses comprise (i) the factoring interest; (ii) the default interest in respect of the outstanding factoring principal amount due but not repaid; (iii) the default interest in respect of the factoring interest due but not paid; and (iv) other expenses incurred by Fullin Factoring in the course of rendering the accounts receivable factoring services and shall be payable by Longding Huayuan pursuant to the terms of the Factoring Agreement I.

**Repurchase:** Fullin Factoring shall be entitled to demand Longding Huayuan to immediately and unconditionally repurchase the outstanding amount of accounts receivable being transferred to Fullin Factoring, repay the outstanding factoring principal amount and pay the factoring expenses in the event that any of the triggering events (including but not limited to the following) occurs:

- (i) Longding Huayuan has commercial dispute with its debtor(s) in respect of the underlying contract(s);
- (ii) Fullin Factoring being unable to receive the timely payment in full of the accounts receivable by the debtor(s) of Longding Huayuan as a result of the credit risk of the debtor(s) of Longding Huayuan;
- (iii) Longding Huayuan waiving or offsetting the payment of the accounts receivable transferred to Fullin Factoring without giving notice to Fullin Factoring;

- (iv) the debtor(s) of Longding Huayuan being merged, divided, reorganised, the assets of the debtor(s) of Longding Huayuan being transferred, the fund of the debtor(s) of Longding Huayuan being misappropriated, the business operation of the debtor(s) of Longding Huayuan being ceased or suspended, etc, which has adverse effect to the repayment of the accounts receivable;
- (v) the debtor(s) of Longding Huayuan being involved or possibly involved in any major economic dispute, litigation, arbitration;
- (vi) the debtor(s) of Longding Huayuan selling, leasing, transferring or otherwise disposing of its major assets, or the entire or substantial part of its assets; and
- (vii) such other circumstances which Fullin Factoring deems appropriate for Longding Huayuan to repurchase the outstanding amount of the accounts receivable.

**Guarantee:**

Each of Dayuan Tiandi and Mr. Gong Liang (貢亮), who holds 45% of equity interest in Dayuan Tiandi and is a director and the legal representative of each of Dayuan Tiandi and Longding Huayuan, respectively entered into a guarantee in favour of Fullin Factoring in respect of all debt payable by Longding Huayuan to Fullin Factoring under the Factoring Agreement I.

**REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE FACTORING AGREEMENT I**

Fullin Factoring is a limited liability company established in the PRC and a wholly-owned subsidiary of the Company. The principal business of Fullin Factoring is the provision of factoring and advisory services to its customers in the PRC.

The entering into of the Factoring Agreement I is in the ordinary and usual course of business of Fullin Factoring and will generate revenue and cashflow stream from the factoring interest and management fees received. The terms of the Factoring Agreement I, including the credit limit, the interest rate and the proposed annual caps therefor, were agreed between Fullin Factoring and Longding Huayuan after arm's length negotiations between the parties and are on normal commercial terms.

Based on the above, the Directors (excluding the independent non-executive Directors who will provide their view after considering the advice of the Independent Financial Adviser) are of the view that the terms of the Factoring Agreement I are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

## REVISION OF ANNUAL CAPS OF EXISTING CONTINUING CONNECTED TRANSACTIONS UNDER THE FINANCE LEASE AGREEMENTS I

Reference is made to the Prospectus in relation to the provision of the finance lease services by the Company to Longding Huayuan under the Finance Lease Agreements I entered into between both parties prior to the Listing.

As the transactions contemplated under the Finance Lease Agreements I and the Factoring Agreement I are entered into between the Group and Longding Huayuan, these transactions have to be aggregated under Rule 20.79 of the GEM Listing Rules. Accordingly, the Company proposes revising the Existing Annual Caps by taking into account (i) the maximum outstanding balance of the finance lease principal amount and the retention consideration (if applicable) payable by Longding Huayuan to the Company under the Finance Lease Agreements I for each of the three years ending 31 December 2019; and (ii) the maximum outstanding balance of the factoring principal amount, the factoring interest and the management fee payable by Longding Huayuan to Fullin Factoring under the Factoring Agreement I for each of the four years ending 31 December 2020.

Set out below are the Existing Annual Caps, the revised annual caps for the Finance Lease Agreements I and the annual caps for the Factoring Agreement I:

	For the year ending 31 December			
	2017	2018	2019	2020
	RMB	RMB	RMB	RMB
	(Equivalent amount of HK\$)	(Equivalent amount of HK\$)	(Equivalent amount of HK\$)	(Equivalent amount of HK\$)
	(Approx.)	(Approx.)	(Approx.)	(Approx.)
<b>Existing Annual Caps</b>	RMB326,000	RMB88,000	nil	nil
<i>(Note 1)</i>	(HK\$383,665)	(HK\$103,566)		
<b>Revised Aggregated Annual Caps</b>				
Finance Lease Agreements I <i>(Note 2)</i>	RMB5,200,000 (HK\$6,119,807)	RMB2,400,000 (HK\$2,824,526)	nil	nil
Factoring Agreement I <i>(Note 3)</i>	RMB43,000,000 (HK\$50,606,096)	RMB46,000,000 (HK\$54,136,754)	RMB31,000,000 (HK\$36,483,465)	RMB16,000,000 (HK\$18,830,175)
Total	RMB48,200,000 (HK\$56,725,903)	RMB48,400,000 (HK\$56,961,280)	RMB31,000,000 (HK\$36,483,465)	RMB16,000,000 (HK\$18,830,175)

*Notes:*

1. The Existing Annual Caps take into account the finance lease income (exclusive of VAT) payable by Longding Huayuan to the Company under the Finance Lease Agreements I for each of the three years ending 31 December 2019. The term of the finance lease arrangements under the Finance Lease Agreements I is 35 months which commenced on 24 December 2015 and will end on 24 November 2018.
2. The revised annual caps for the Finance Lease Agreements I take into account the aggregate of the finance lease income, the maximum outstanding balance of finance lease principal amount and the retention consideration (if applicable) (all exclusive of VAT) payable by Longding Huayuan to the Company under the Finance Lease Agreements I for each of the three years ending 31 December 2019.
3. The annual caps for the Factoring Agreement I take into account the aggregate of the maximum outstanding balance of the factoring principal amount, the factoring interest and the management fee payable by Longding Huayuan to Fullin Factoring under the Factoring Agreement I for each of the four years ending 31 December 2020. The term of the factoring arrangements under the Factoring Agreement I is 36 months commencing on the Effective Date.

Based on the foregoing, the Directors (excluding the independent non-executive Directors who will form their view after considering the advice of the Independent Financial Adviser) consider that the Revised Aggregated Annual Caps are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

## **INFORMATION ON THE GROUP**

The Company and its subsidiaries, including Fullin Factoring, 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 LONGDING HUAYUAN AND DAYUAN TIANDI**

Longding Huayuan is a company established in the PRC with limited liability. It is a non wholly-owned subsidiary of Dayuan Tiandi, a company established in the PRC with limited liability. Both Longding Huayuan and Dayuan Tiandi are principally engaged in real estate development.

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

Longding Huayuan is a non-wholly owned subsidiary of Dayuan Tiandi, a substantial shareholder of the Company which is interested in 80,000,000 Domestic Shares, representing approximately 22.26% of the total number of issued Shares as at the date of this announcement, and is therefore a connected person of the Company. Accordingly, the transactions contemplated under the Factoring Agreement I constitutes continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) as defined in the GEM Listing Rules in respect of the transactions contemplated under the Factoring Agreement I is less than 25% on an annual basis, but the total consideration under the Factoring Agreement I will be not less than HK\$10,000,000, such transactions constitute non-exempt continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules and are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under the GEM Listing Rules.

Pursuant to Rule 20.52(2) of the GEM Listing Rules, if the Company proposes revising the annual caps for continuing connected transactions, the Company will have to re-comply with the relevant provisions under Chapter 20 of the GEM Listing Rules. In respect of the revision of the Existing Annual Caps and the aggregation of the transactions contemplated under the Finance Lease Agreements I and Factoring Agreement I pursuant to Rule 20.79 of the GEM Listing Rules, as one or more of the applicable percentage ratios (other than the profits ratio) as defined in the GEM Listing Rules is less than 25% on an annual basis, but the total consideration of the Finance Lease Agreements I and the Factoring Agreement I will be not less than HK\$10,000,000, the Revised Aggregated Annual Caps are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements under the GEM Listing Rules.

An Independent Board Committee has been established to advise the Independent Shareholders on the terms of the Factoring Agreement I and the Revised Aggregated Annual Caps. The Company will appoint the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **GENERAL**

The EGM will be convened for the purpose of, among other things, considering and, if deemed appropriate, approving the Factoring Agreement I, the transactions contemplated thereunder and the Revised Aggregated Annual Caps.

A circular containing, among other things, further details of the Factoring Agreement I, the Revised Aggregated Annual Caps, letters from the Independent Board Committee and the Independent Financial Adviser, a notice convening the EGM and other information as required under the GEM Listing Rules, will be despatched to the Shareholders on or before 30 October 2017 pursuant to Rule 20.66(11) of the GEM Listing Rules.

Dayuan Tiandi and its associates will abstain from voting on the resolution in respect of the Factoring Agreement I, the transactions contemplated thereunder and the Revised Aggregated Annual Caps to be put forward at the EGM.

## DEFINITIONS

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

<b>“associate(s)”</b>	has the meaning ascribed to it under the GEM Listing Rules
<b>“Board”</b>	the board of Directors
<b>“Company”</b>	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
<b>“Dayuan Tiandi”</b>	Beijing Municipality Dayuan Tiandi Property Development Co., Ltd. (北京市大苑天地房地產開發有限公司), a company established in the PRC and a substantial shareholder of the Company
<b>“Directors”</b>	the directors of the Company
<b>“Domestic Share(s)”</b>	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by PRC natural persons or entities established under the laws of the PRC and are unlisted Shares which are currently not listed or traded on any stock exchange
<b>“Effective Date”</b>	the date on which the Factoring Agreement I shall take effect upon the fulfilment of the condition precedent as set out in the paragraph headed “Condition Precedent” in this announcement
<b>“EGM”</b>	the extraordinary general meeting of the Company (or any adjournment thereof) to be convened for the purpose of, among other things, considering and, if deemed appropriate, approving the Factoring Agreement I, the transactions contemplated thereunder and the Revised Aggregated Annual Caps
<b>“Equipment”</b>	has the meaning ascribed to it under the Prospectus
<b>“Existing Annual Caps”</b>	the existing annual caps for the Finance Lease Agreements I, being the finance lease income (exclusive of VAT) payable by Longding Huayuan to the Company under the Finance Lease Agreements I for each of the three years ending 31 December 2019

<b>“Finance Lease Agreements I”</b>	the sale and purchase agreement dated 20 December 2015 entered into among the Company as purchaser, Longding Huayuan as end user and an equipment supplier in relation to the sale and purchase of the Equipment and the finance lease agreement dated 20 December 2015 entered into between the Company as lessor and Longding Huayuan as lessee (as supplemented by the supplemental agreements dated 20 December 2015 and 25 May 2016 entered into between the Company and Longding Huayuan) in relation to the lease of the Equipment to Longding Huayuan, details of which are disclosed in the Prospectus
<b>“Factoring Agreement I”</b>	the with-recourse commercial factoring agreement dated 9 October 2017 entered into between Fullin Factoring (as factor) and Longding Huayuan (as seller) in respect of the accounts receivable factoring services provided by Fullin Factoring to Longding Huayuan in the factoring principal amount of RMB41,800,000 (equivalent to approximately HK\$49,193,833)
<b>“Fullin Factoring”</b>	杉杉富銀商業保理有限公司 (Shan Shan Fullin Factoring Co., Ltd.), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
<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>“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 Board Committee”</b>	an independent committee of the Board, comprising all independent non-executive Directors, which has been appointed by the Board to advise the Independent Shareholders on the terms of the Factoring Agreement I and the Revised Aggregated Annual Caps

<b>“Independent Financial Adviser”</b>	an independent financial adviser to be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the terms of the Factoring Agreement I and the Revised Aggregated Annual Caps
<b>“Independent Shareholder(s)”</b>	Shareholder(s) other than Dayuan Tiandi and its associates
<b>“Independent Third Parties”</b>	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
<b>“Listing”</b>	the listing of H Shares on GEM
<b>“Longding Huayuan”</b>	Beijing City Longding Huayuan Property Development Co., Ltd. (北京市龍鼎華源房地產開發有限責任公司), a company established in the PRC and owned as to 90% by Dayuan Tiandi and the remaining 10% by certain Independent Third Parties
<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>“Prospectus”</b>	the prospectus of the Company dated 10 May 2017 relating to the offer of 89,840,000 H Shares
<b>“Revised Aggregated Annual Caps”</b>	the aggregate of the revised annual caps for the Finance Lease Agreements I and the annual caps for the Factoring Agreement I for each of the four years ending 31 December 2020
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Share(s)”</b>	the ordinary share(s) with nominal value of RMB1.00 each in the capital of the Company
<b>“substantial shareholder”</b>	has the meaning ascribed to it under the GEM Listing Rules
<b>“Shareholder(s)”</b>	holder(s) of the Share(s)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited

“VAT” value-added tax

“%” per cent.

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

Hong Kong, 9 October 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 RMB0.8497 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.*

*If there is any inconsistency between the Chinese names of the entities, companies or legal entities incorporated in PRC mentioned in this announcement and their English translations, the Chinese names shall prevail. The English translations of the Chinese names of such entities, companies or legal entities are provided for illustration purposes only.*

*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).*