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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 TRANSACTION
SUBSCRIPTION OF SHARES IN
SHANGHAI KYMS CLOUD TECHNOLOGY CO., LTD.**

THE SUBSCRIPTION AGREEMENT

The Board wishes to announce that on 10 May 2021, the Subscriber (a wholly-owned subsidiary of the Company), entered into the Subscription Agreement with Shanghai KYMS, pursuant to which the Subscriber has conditionally agreed to subscribe for, and Shanghai KYMS has conditionally agreed to allot and issue the Subscription Shares, representing 7.55% of the issued share capital of Shanghai KYMS as enlarged by the allotment and issue of the Subscription Shares, at the Subscription Price of RMB15,534,858.24.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios in respect of the Subscription is more than 5% but all of the applicable ratios are less than 25%, the entering into of the Subscription Agreement constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment (or, as the case may be, waiver) of the conditions precedent under the Subscription Agreement. The Subscription may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

INTRODUCTION

The Board wishes to announce that on 10 May 2021, the Subscriber (a wholly-owned subsidiary of the Company), entered into the Subscription Agreement with Shanghai KYMS, pursuant to which the Subscriber has conditionally agreed to subscribe for, and Shanghai KYMS has conditionally agreed to allot and issue the Subscription Shares, representing 7.55% of the issued share capital of Shanghai KYMS as enlarged by the allotment and issue of the Subscription Shares, at the Subscription Price of RMB15,534,858.24.

The principal terms and conditions of the Subscription Agreement are summarised as follows:

THE SUBSCRIPTION AGREEMENT

Date: 10 May 2021

Parties: Zhuhai Fuyin Yunlian Investment Management Co., Ltd.* (as the Subscriber)

Shanghai KYMS Cloud Technology Co., Ltd. (as the issuer)

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, each of Shanghai KYMS and its ultimate beneficial owners is an Independent Third Party.

Subscription: Pursuant to the Subscription Agreement, the Subscriber has agreed to subscribe for, and Shanghai KYMS has agreed to allot and issue the Subscription Shares, being 3,922,944 new shares of Shanghai KYMS, representing 7.55% of the issued share capital of Shanghai KYMS as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares, when allotted, issued and fully paid, shall rank pari passu in all respects among themselves and with all the shares of Shanghai KYMS in issue on the date of allotment and issue of the Subscription Shares.

Subscription price: The Subscription Price is RMB15,534,858.24, representing RMB3.96 per each Subscription Share, which shall be paid in cash within seven (7) days after the fulfillment of the conditions as set out under “Conditions Precedent” below and the publication of an announcement regarding the Subscription by Shanghai KYMS.

The Subscription Price shall be financed by internal resources of the Group.

Basis of determining the Subscription Price: The Subscription Price was determined between the Subscriber and Shanghai KYMS after arm’s length negotiations and taking into account various factors including but limited to: (i) the overall economic environment; (ii) the prospect and the growth potential of Shanghai KYMS and the industry outlook; and (iii) financial conditions of Shanghai KYMS such as its net asset value per share, price-to-earnings ratio and price-to-book ratio.

Conditions precedent: Completion is conditional upon the fulfillment of each of the following conditions;

- (i) the consents and approvals required to be obtained from the board of directors and shareholders on the part of Shanghai KYMS in respect of the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Subscription Shares) having been obtained and remain in full force and effect;
- (ii) the no comment letter in respect of the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Subscription Shares) having been obtained from the National Equities Exchange and Quotations Co. Ltd. and not being revoked; and

- (iii) having comply with all applicable laws and regulations, and the GEM Listing Rules by the Group in relation to the Subscription Agreement and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Subscription Shares).

Completion:

Completion shall take place on the date of the registration of the Subscription Shares with China Securities Depository and Clearing Corporation Limited, Beijing Branch.

Upon Completion, the Group will own 7.55% of the issued share capital of Shanghai KYMS, and such will be accounted for as other financial assets in the Group's financial statements.

INFORMATION OF THE COMPANY AND THE SUBSCRIBER

The Group is 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 Subscriber is a wholly-owned subsidiary of the Company and is an investment holding company.

INFORMATION OF SHANGHAI KYMS

Shanghai KYMS is a limited liability company established on 25 February 2005 in the PRC and is principally engaged in leasing of serviced offices and provision of supporting value-added services. The shares of Shanghai KYMS have been listed on the National Equities Exchange and Quotations since 8 December 2014 (stock code: 831423).

Based on the public information available, Shanghai KYMS is owned as to 18.91%, 14.61% and 11.93% by Wang Jian Feng (王建峰), Wang Fu Han (王輔晗) and Shi Yan (施豔), respectively as at the date of this announcement. They are concert parties pursuant to a shareholders' agreement entered into amongst them to regulate their decision making in dealing with Shanghai KYMS's affairs and their shareholders' rights in respect of their equity interests in Shanghai KYMS.

The summary of the audited financial information of Shanghai KYMS for the two years ended 31 December 2019 and 2020 are set out below:

	For the year ended 31 December 2019 <i>RMB million</i>	For the year ended 31 December 2020 <i>RMB million</i>
Net profits before taxation	2.21	19.41
Net profits after taxation	1.79	14.83

Based on the audited financial information, the net asset value of Shanghai KYMS, was RMB117,756,203.22 as at 31 December 2020.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

As disclosed in the 2020 annual report of the Company, the Group has been proactively considering a wide variety of possibilities, including corporate mergers and acquisitions on the basis of the main business of the Group to achieve sustainable development. The Directors believe serviced offices leasing business will likely become a trend in China in the near future, the Subscription will provide an opportunity for the Group to participate in the serviced offices leasing industry and enable the Group to explore potential business cooperation opportunities. The Directors noted that for the year ended 31 December 2020, Shanghai KYMS recorded a net profit after taxation of approximately RMB14.83 million, representing an increase of approximately 728.49% from approximately RMB1.79 million for the same period of year 2019 and thus considered that Shanghai KYMS has potential for further growth. In addition, the Subscription provides additional working capital for Shanghai KYMS to develop its serviced offices leasing business, and the Group would benefit from the future growth and development of Shanghai KYMS.

Based on the above, the Directors are of the view that the terms and conditions of the Subscription Agreement are fair and reasonable and on normal commercial terms, and the Subscription is in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

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Shareholders and potential investors of the Company should note that Completion is subject to the fulfillment of the conditions precedent under the Subscription Agreement. The Subscription may or may not proceed. Shareholders and potential investors of the Company are therefore urged to exercise caution when dealing in the Shares and other securities of the Company.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules;
“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;
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement;
“Directors”	the directors of the Company;
“GEM”	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 traded in Hong Kong dollars and are listed on the GEM;

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Third Party(ies)”	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;
“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;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanghai KYMS”	Shanghai KYMS Cloud Technology Co., Ltd. (上海快易名商雲科技股份有限公司), the shares of which are listed on the National Equities Exchange and Quotations (全國中小企業股份轉讓系統) (stock code: 831423);
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscriber”	Zhuhai Fuyin Yunlian Investment Management Co., Ltd.* (珠海富銀雲聯投資管理有限公司), a company established in the PRC with limited liability and is a wholly-owned subsidiary of the Company;
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the terms of the Subscription Agreement;
“Subscription Agreement”	the subscription agreement dated 10 May 2021, entered into between the Subscriber and Shanghai KYMS in relation to the Subscription;

“Subscription Price”	RMB15,534,858.24, representing a subscription price of RMB3.96 per Subscription Share;
“Subscription Shares”	3,922,944 new shares of Shanghai KYMS to be allotted and issued to the Subscriber pursuant to the Subscription Agreement, and the expression “Subscription Share” shall be construed accordingly;
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules; and
“%”	per cent.

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

Hong Kong, 10 May 2021

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)

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.

** For identification only.*