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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 DISPOSAL OF SALE ASSETS**

### **THE DISPOSALS**

On 16 May 2024, (i) Subsidiary A, a non-wholly owned subsidiary of the Company, entered into the Subsidiary A Agreement with the Purchaser, pursuant to which Subsidiary A has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Subsidiary A Sale Assets at an aggregate consideration of RMB1,410,000 (before tax), subject to the Subsidiary A Consideration Adjustment; and (ii) Subsidiary B, a non-wholly owned subsidiary of the Company, entered into the Subsidiary B Agreement with the Purchaser, pursuant to which Subsidiary B has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Subsidiary B Sale Assets at an aggregate consideration of RMB8,750,000 (before tax), subject to the Subsidiary B Consideration Adjustment.

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

As one or more applicable percentage ratio(s) (as defined in the GEM Listing Rules) for the Disposals contemplated under the Agreements (on an aggregate basis) exceeds 5% but all of which are less than 25%, the transactions contemplated under the Agreements constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and are subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **THE DISPOSALS**

On 16 May 2024, (i) Subsidiary A, a non-wholly owned subsidiary of the Company, entered into the Subsidiary A Agreement with the Purchaser, pursuant to which Subsidiary A has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Subsidiary A Sale Assets at an aggregate consideration of RMB1,410,000 (before tax), subject to the Subsidiary A Consideration Adjustment; and (ii) Subsidiary B, a non-wholly owned subsidiary of the Company, entered into the Subsidiary B Agreement with the Purchaser, pursuant to which Subsidiary B has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Subsidiary B Sale Assets at an aggregate consideration of RMB8,750,000 (before tax), subject to the Subsidiary B Consideration Adjustment.

For the avoidance of doubt, the Subsidiary A Agreement and the Subsidiary B Agreement is not inter-conditional with each other.

## **SUBSIDIARY A AGREEMENT**

The principal terms of the Subsidiary A Agreement are summarised as follows:

### **Date**

16 May 2024

### **Parties**

- (1) Subsidiary A (as vendor); and
- (2) Purchaser (as purchaser).

### **Assets to be disposed of**

Pursuant to the Subsidiary A Agreement, Subsidiary A has conditionally agreed to sell the Subsidiary A Sale Assets to the Purchaser.

### **Consideration**

The aggregate consideration payable by the Purchaser for the Subsidiary A Sale Assets shall be RMB1,410,000 (before tax), subject to the Subsidiary A Consideration Adjustment.

Subject to the fulfilment of the payment conditions, the consideration is payable by the Purchaser to Subsidiary A in cash in the following manner:

*(a) First Payment to Subsidiary A*

RMB423,000, representing 30% of the consideration for the Subsidiary A Sale Assets, shall be payable by the Purchaser to Subsidiary A within fifteen (15) business days upon fulfilment of the following payment conditions (the “**First Payment to Subsidiary A**”):

- (i) all relevant copies of the Requisite Documents in respect of the Subsidiary A Sale Assets having been provided to the Purchaser; and
- (ii) the Purchaser having received from Subsidiary A the VAT invoice in respect of the Subsidiary A Sale Assets at a tax rate of 9%.

*(b) Second Payment to Subsidiary A*

Subject to the Subsidiary A Consideration Adjustment, RMB846,000, representing 90% of the consideration for the Subsidiary A Sale Assets deducting the First Payment to Subsidiary A paid by the Purchaser, shall be payable by the Purchaser to Subsidiary A within fifteen (15) business days upon fulfilment of the following payment conditions (the “**Second Payment to Subsidiary A**”):

- (i) the occurrence of the Base Station Acceptance in respect of the Subsidiary A Sale Assets;
- (ii) Subsidiary A shall assist the Purchaser in entering into the Lease Agreements for each base station under the Subsidiary A Sale Assets within ten (10) months from the date of the Subsidiary A Agreement. In the event that the Purchaser is unable to enter into the Lease Agreement for any base station under the Subsidiary A Sale Assets, the Purchaser having obtained a guarantee from Subsidiary A that grants the Purchaser the rights to use such base station at the relevant site for a period of four (4) years;
- (iii) in cases involving government special operation permits or exclusive operation permits, all necessary approvals and documents issued by the relevant government authorities having been obtained;

- (iv) the originals of the Requisite Documents in respect of the Subsidiary A Sale Assets having been delivered to the Purchaser by Subsidiary A; and
- (v) the Purchaser having received from Subsidiary A the VAT invoice in respect of the Subsidiary A Sale Assets at a tax rate of 9%.

In addition, Subsidiary A shall assist the Purchaser in entering into the New Base Station Lease Agreement with the respective Operator for the leasing of each base station under the Subsidiary A Sale Assets by the Purchaser to the respective Operator. If, for any reasons not attributable to the Purchaser, the Purchaser and the respective Operator fail to enter into the New Base Station Lease Agreement for the leasing of any base station under the Subsidiary A Sale Assets within ten (10) months from the date of the Subsidiary A Agreement, the Purchaser shall have the discretion to exclude the relevant base station(s) from the Subsidiary A Agreement by serving a notice with Subsidiary A. Within 10 (ten) days upon receiving such notice, Subsidiary A shall refund the Purchaser the respective First Payment to Subsidiary A attributable to such excluded base stations on a dollar-to-dollar basis. As such, the consideration for the remaining Subsidiary A Sale Assets payable by the Purchaser under the Subsidiary A Agreement will be adjusted on a dollar-to-dollar basis attributable to these excluded base station(s) (the “**Subsidiary A Consideration Adjustment**”).

If the Subsidiary A Consideration Adjustment occurs and the adjusted consideration is greater than the amount of the First Payment to Subsidiary A paid by the Purchaser, an amount representing 90% of the adjusted consideration deducting the First Payment to Subsidiary A paid by the Purchaser shall be payable by the Purchaser to Subsidiary A within fifteen (15) business days upon fulfilment of the payment conditions for the Second Payment to Subsidiary A as set out above, as adjusted by reference to the remaining Subsidiary A Sale Assets (the “**Adjusted Second Payment to Subsidiary A**”).

In the event if the adjusted consideration is less than the First Payment to Subsidiary A, the Subsidiary A shall also compensate the Purchaser an amount (“**A**”) to be calculated based on the following formula:

$$A = B * (C / 360 \text{ days}) * 10\%$$

where:

B is the excess of the First Payment to Subsidiary A over the amount of the adjusted consideration for the remaining Subsidiary A Sale Assets; and

C is the number of days between the date of the First Payment to Subsidiary A and the expiration of ten (10) months from the date of the Subsidiary A Agreement.

(c) *Final Payment*

The remaining amount of the consideration, if any, shall be payable by the Purchaser to Subsidiary A within fifteen (15) business days upon fulfilment of the following payment conditions (the “**Final Payment to Subsidiary A**”):

- (i) the on-site handover acceptance in respect of the Subsidiary A Sale Assets (to the extent not excluded by the Purchaser) having remained valid for a period of twelve (12) months; and
- (ii) the Purchaser having received from Subsidiary A the VAT invoice in respect of the Subsidiary A Sale Assets (to the extent not excluded by the Purchaser) at a tax rate of 9%.

The consideration for the Subsidiary A Sale Assets was determined after arm’s length negotiations between Subsidiary A and the Purchaser with reference to (i) the original costs of the Subsidiary A Sale Assets and the net book value of the Subsidiary A Sale Assets of approximately RMB973,485 and RMB815,507 as at 31 March 2024, respectively; and (ii) the historical financial performance of the Subsidiary A Sale Assets.

**Transfer of ownership**

Upon fulfilment of the following conditions, the ownership of the Subsidiary A Sale Assets (to the extent not excluded by the Purchaser) shall be transferred to the Purchaser:

- (i) the execution of the Subsidiary A Agreement and all completion documents set out therein;

- (ii) the Purchaser having executed the Lease Agreements and/or completed all necessary changes for the use of the site for each base station under the Subsidiary A Sale Assets (to the extent not excluded by the Purchaser) with the assistance of Subsidiary A;
- (iii) the Purchaser having executed the New Base Station Lease Agreements for each base station under the Subsidiary A Sale Assets (to the extent not excluded by the Purchaser) with the assistance of Subsidiary A; and
- (iv) the Second Payment to Subsidiary A or the Adjusted Second Payment to Subsidiary A (as the case may be) having been made by the Purchaser to Subsidiary A.

## **SUBSIDIARY B AGREEMENT**

The principal terms of the Subsidiary B Agreement are summarised as follows:

### **Date**

16 May 2024

### **Parties**

- (1) Subsidiary B (as vendor); and
- (2) Purchaser (as purchaser).

### **Assets to be disposed of**

Pursuant to the Subsidiary B Agreement, Subsidiary B has conditionally agreed to sell the Subsidiary B Sale Assets to the Purchaser.

### **Consideration**

The aggregate consideration payable by the Purchaser for the Subsidiary B Sale Assets shall be RMB8,750,000 (before tax), subject to the Subsidiary B Consideration Adjustment.

Subject to the fulfilment of the payment conditions, the consideration is payable by the Purchaser to Subsidiary B in cash in the following manner:

*(a) First Payment to Subsidiary B*

RMB1,962,000, representing 30% of the consideration for 74 base stations under the Subsidiary B Sale Assets (excluding 31 base stations the consideration of which will be accounted for in the Second Payment to Subsidiary B), shall be payable by the Purchaser to Subsidiary B within fifteen (15) business days upon fulfilment of the following payment conditions (the “**First Payment to Subsidiary B**”):

- (i) all relevant copies of the Requisite Documents in respect of the Subsidiary B Sale Assets having been provided to the Purchaser; and
- (ii) the Purchaser having received from Subsidiary B the VAT invoice in respect of the Subsidiary B Sale Assets at a tax rate of 9%.

*(b) Second Payment to Subsidiary B*

Subject to the Subsidiary B Consideration Adjustment, RMB5,913,000, representing 90% of the consideration for the Subsidiary B Sale Assets (including the aforementioned 31 base stations) deducting the First Payment to Subsidiary B paid by the Purchaser, shall be payable by the Purchaser to Subsidiary B within fifteen (15) business days upon fulfilment of the following payment conditions (the “**Second Payment to Subsidiary B**”):

- (i) the occurrence of the Base Station Acceptance in respect of the Subsidiary B Sale Assets;
- (ii) Subsidiary B shall assist the Purchaser in entering into the Lease Agreements for each base station under the Subsidiary B Sale Assets within ten (10) months from the date of the Subsidiary B Agreement. In the event that the Purchaser is unable to enter into the Lease Agreement for any base station under the Subsidiary B Sale Assets, the Purchaser having obtained a guarantee from Subsidiary B that grants the Purchaser the rights to use such base station at the relevant site for a period of four (4) years;
- (iii) in cases involving government special operation permits or exclusive operation permits, all necessary approvals and documents issued by the relevant government authorities having been obtained;

- (iv) the originals of the Requisite Documents in respect of the Subsidiary B Sale Assets having been delivered to the Purchaser by Subsidiary B; and
- (v) the Purchaser having received from Subsidiary B the VAT invoice in respect of the Subsidiary B Sale Assets at a tax rate of 9%.

In addition, Subsidiary B shall assist the Purchaser in entering into the New Base Station Lease Agreement with the respective Operator for the leasing of each base station under the Subsidiary B Sale Assets by the Purchaser to the respective Operator. If, for any reasons not attributable to the Purchaser, the Purchaser and the respective Operator fail to enter into the New Base Station Lease Agreement for the leasing of any base station under the Subsidiary B Sale Assets within ten (10) months from the date of the Subsidiary B Agreement, the Purchaser shall have the discretion to exclude the relevant base station(s) from the Subsidiary B Agreement by serving a notice with Subsidiary B. Within 10 (ten) days upon receiving such notice, Subsidiary B shall refund the Purchaser the respective First Payment to Subsidiary B attributable to such excluded base stations on a dollar-to-dollar basis. As such, the consideration for the remaining Subsidiary B Sale Assets payable by the Purchaser under the Subsidiary B Agreement will be adjusted on a dollar-to-dollar basis attributable to these excluded base station(s) (the “**Subsidiary B Consideration Adjustment**”).

If the Subsidiary B Consideration Adjustment occurs and the adjusted consideration is greater than the amount of the First Payment to Subsidiary B paid by the Purchaser, an amount representing 90% of the adjusted consideration deducting the First Payment to Subsidiary B paid by the Purchaser, shall be payable by the Purchaser to Subsidiary B within fifteen (15) business days upon fulfilment of the payment conditions for the Second Payment to Subsidiary B as set out above, as adjusted by reference to the remaining Subsidiary B Sale Assets (the “**Adjusted Second Payment to Subsidiary B**”).

In the event if the adjusted consideration is less than the First Payment to Subsidiary B, the Subsidiary B shall also compensate the Purchaser an amount (“**A<sup>1</sup>**”) to be calculated based on the following formula:

$$A^1 = B^1 * (C^1 / 360 \text{ days}) * 10\%$$

where:

**B<sup>1</sup>** is the excess of the First Payment to Subsidiary B over the amount of the adjusted consideration for the remaining Subsidiary B Sale Assets; and



C<sup>1</sup> is the number of days between the date of the First Payment to Subsidiary B and the expiration of ten (10) months from the date of the Subsidiary B Agreement.

(c) *Final Payment*

The remaining amount of the consideration, if any, shall be payable by the Purchaser to Subsidiary B within fifteen (15) business days upon fulfilment of the following payment conditions (the “**Final Payment to Subsidiary B**”):

- (i) the on-site handover acceptance in respect of the Subsidiary B Sale Assets (to the extent not excluded by the Purchaser) having remained valid for a period of twelve (12) months; and
- (ii) the Purchaser having received from Subsidiary B the VAT invoice in respect of the Subsidiary B Sale Assets (to the extent not excluded by the Purchaser) at a tax rate of 9%.

The consideration for the Subsidiary B Sale Assets was determined after arm’s length negotiations between Subsidiary B and the Purchaser with reference to the (i) original costs of the Subsidiary B Sale Assets and the net book value of the Subsidiary B Sale Assets of approximately RMB4,343,590 and RMB3,600,170, as at 31 March 2024, respectively; and (ii) the historical financial performance of the Subsidiary B Sale Assets.

**Transfer of ownership**

Upon fulfilment of the following conditions, the ownership of the Subsidiary B Sale Assets (to the extent not excluded by the Purchaser) shall be transferred to the Purchaser:

- (i) the execution of the Subsidiary B Agreement and all completion documents set out therein;

- (ii) the Purchaser having executed the Lease Agreements and/or completed all necessary changes for the use of the site for each base station under the Subsidiary B Sale Assets (to the extent not excluded by the Purchaser) with the assistance of Subsidiary B;
- (iii) the Purchaser having executed the New Base Station Lease Agreements for each base station under the Subsidiary B Sale Assets (to the extent not excluded by the Purchaser) with the assistance of Subsidiary B; and
- (iv) the Second Payment to Subsidiary B or the Adjusted Second Payment to Subsidiary B (as the case may be) having been made by the Purchaser to Subsidiary B.

### **FINANCIAL INFORMATION ON THE SALE ASSETS**

Set forth below is the unaudited consolidated financial information of the Subsidiary A Sale Assets for the two years ended 31 December 2023 and the three months ended 31 March 2024:

	<b>For the year ended</b>		<b>For the three</b>
	<b>31 December</b>		<b>months ended</b>
	<b>2022</b>	<b>2023</b>	<b>31 March</b>
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
Revenue	261,750	560,814	127,277
Loss before tax	32,416	12,269	1,503
Loss after tax	32,416	14,322	6,577
	<b>As at 31 December</b>		<b>As at 31 March</b>
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
Original costs	865,062	973,485	973,485
Net book value	821,769	838,291	815,507

Set forth below is the unaudited consolidated financial information of the Subsidiary B Sale Assets for the two years ended 31 December 2023 and the three months ended 31 March 2024:

	<b>For the year ended</b>		<b>For the three</b>
	<b>31 December</b>		<b>months ended</b>
	<b>2022</b>	<b>2023</b>	<b>31 March</b>
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
Revenue	852,353	2,771,212	733,570
Profit/(Loss) before tax	(316,189)	(269,989)	92,854
Profit/(Loss) after tax	(316,199)	(273,653)	92,854
	<b>As at 31 December</b>		<b>As at 31 March</b>
	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
Original costs	2,155,093	4,343,590	4,343,590
Net book value	1,954,600	3,705,991	3,600,170

## **FINANCIAL EFFECT OF THE DISPOSALS**

### **Disposal of the Subsidiary A Sale Assets**

Upon completion of the disposal of the Subsidiary A Sale Assets, the Group will cease to have any rights or interests in the Subsidiary A Sale Assets. It is estimated that the Group will record a gain on disposal of the Subsidiary A Sale Assets of approximately RMB478,071 (after tax). The gain on disposal of the Subsidiary A Sale Assets was calculated by reference to the difference between the aggregate consideration of RMB1,410,000 and the net book value of the Subsidiary A Sale Assets of approximately RMB815,507 as at 31 March 2024, deducting relevant tax expenses for the disposal of the Subsidiary A Sale Assets of approximately RMB116,422.

## **Disposal of the Subsidiary B Sale Assets**

Upon completion of the disposal of the Subsidiary B Sale Assets, the Group will cease to have any rights or interests in the Subsidiary B Sale Assets. It is estimated that the Group will record a gain on disposal of the Subsidiary B Sale Assets of approximately RMB4,427,353 (after tax). The gain on disposal of the Subsidiary B Sale Assets is calculated by reference to the difference between the aggregate consideration of RMB8,750,000 and the net book value of the Subsidiary B Sale Assets of approximately RMB3,600,170 as at 31 March 2024, deducting relevant tax expenses for the disposal of the Subsidiary B Sale Assets of approximately RMB722,477.

However, the actual gain or loss on the Disposals is subject to audit by the Company's auditor. The net proceeds from the Disposals will be utilised as general working capital of the Group.

## **REASONS AND BENEFITS OF THE DISPOSALS**

As stated in the Company's annual report for the year ended 31 December 2023, in respect of the 5G base station business, amid the complex and volatile market environment, and with the gradual promotion and application of 5G technology, the Group's 5G base station business experienced a slowdown in the construction of new stations. As a result, the growth in the number of new stations and business volume of the Group's 5G base station business was sluggish. Furthermore, under the continuous advancement of technology and intensified market competition, the value of base stations is expected to gradually decrease. In order to reduce the operating and maintenance costs of the base stations and to avoid potential loss resulting from the decrease in value of base stations, the Group had been actively seeking potential buyers for the sale of its 5G base stations. The Directors consider that the Disposals offer an opportunity for the Group to dispose of the Sale Assets in order to optimize its resources allocation and enhance the quality and efficiency of its operations, which will be beneficial to the overall development of the Group.

The Directors are of the view that the terms and conditions of the Agreements were arrived at after arm's length negotiation between the parties and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION ON THE PARTIES**

### **The Group**

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.

### **Subsidiary A and Subsidiary B**

Each of Subsidiary A and Subsidiary B is a company established in the PRC with limited liability and principally engaged in leasing of communication equipment. As at the date of this announcement, both Subsidiary A and Subsidiary B are indirectly owned as to 51% by the Company.

### **The Purchaser**

The Purchaser is a company established in the PRC with limited liability and principally engaged in the construction and operation of 5G infrastructure. As at the date of this announcement, the Purchaser is wholly owned by Sunwave Communications Co., Ltd.\* (三維通信股份有限公司), the A shares of which are listed on the Shenzhen Stock Exchange (stock code: 002115).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are Independent Third Parties.

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

As one or more applicable percentage ratio(s) (as defined in the GEM Listing Rules) for the Disposals contemplated under the Agreements (on an aggregate basis) exceeds 5% but all of which are less than 25%, the transactions contemplated under the Agreements constitute a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and are subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

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

“Agreements”	the Subsidiary A Agreement and the Subsidiary B Agreement
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Base Station Acceptance”	the acceptance of the Subsidiary A Sale Assets or the Subsidiary B Sale Assets (as the case may be) by the Purchaser upon satisfaction of on-site inspection conducted by the Purchaser or a third-party inspection agency
“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
“Disposals”	the (i) disposal of the Subsidiary A Sale Assets by Subsidiary A to the Purchaser pursuant to the Subsidiary A Agreement; and (ii) disposal of the Subsidiary B Sale Assets by Subsidiary B to the Purchaser pursuant to the Subsidiary B Agreement
“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 subscribed for and traded in Hong Kong dollars and are listed on GEM
“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
“Lease Agreement(s)”	the lease agreement to be entered into between the Purchaser and the respective Lessor(s) for the leasing of the site for the base station(s) under the Subsidiary A Sale Assets or the Subsidiary B Sale Assets (as the case may be)
“Lessor(s)”	the lessor(s) under the Lease Agreement(s)
“New Base Station Lease Agreement(s)”	the new lease agreement(s) to be entered into between the Purchaser and the respective Operator(s) for the leasing of the base station(s) under the Subsidiary A Sale Assets or the Subsidiary B Sale Assets (as the case may be) by the Purchaser to the respective Operator(s)
“Operator(s)”	the third party telecommunications operator(s) who are the end user(s) of the Subsidiary A Sale Assets and the Subsidiary B Sale Assets (as the case may be)
“PRC”	the People’s Republic of China, and for the purposes of this announcement only, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Purchaser”	Zhejiang Xinzhan Communications Technology Co., Ltd.* (浙江新展通信技術有限公司), a company established in the PRC with limited liability

“Requisite Documents”	the documentation in relation to the Subsidiary A Sale Assets or the Subsidiary B Sale Assets (as the case may be), including but not limited to the lease agreements for the use of the relevant base station sites, proof of land ownership or equivalent documents, electricity agreements, procurement agreements and payment receipts relating to the relevant base station equipment and auxiliary facilities, completion and acceptance documentation
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Assets”	the Subsidiary A Sale Assets and the Subsidiary B Sale Assets
“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
“Subsidiary A”	Shenzhen Huixin Zhida Technology Co., Ltd.* (深圳匯信致達科技有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
“Subsidiary A Agreement”	the assets transfer agreement dated 16 May 2024 entered into between Subsidiary A and the Purchaser
“Subsidiary A Consideration Adjustment”	the consideration adjustment mechanism under the Subsidiary A Agreement, details of which are set out in the section headed “SUBSIDIARY A AGREEMENT – Consideration – (b) Second Payment to Subsidiary A”
“Subsidiary A Sale Assets”	the 18 base stations constructed by Subsidiary A for the use of the Operators, including the base station equipment and auxiliary facilities owned by Subsidiary A



“Subsidiary B”	Guangdong Yideng Engineering Construction Co., Ltd.* (廣東壹登工程建設有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company as at the date of this announcement
“Subsidiary B Agreement”	the assets transfer agreement dated 16 May 2024 entered into between Subsidiary B and the Purchaser
“Subsidiary B Consideration Adjustment”	the consideration adjustment mechanism under the Subsidiary B Agreement, details of which are set out in the section headed “SUBSIDIARY B AGREEMENT – Consideration – (b) Second Payment to Subsidiary B”
“Subsidiary B Sale Assets”	the 105 base stations constructed by Subsidiary B for the use of the Operators, including the base station equipment and auxiliary facilities owned by Subsidiary B
“substantial shareholders”	has the meaning ascribed to it under the GEM Listing Rules
“VAT”	value-added tax
“%”	per cent

On behalf of the Board  
**FY Financial (Shenzhen) Co., Ltd.**  
**Li Peng**  
*Chairman*

Hong Kong, 16 May 2024

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

*Executive Directors:*

Mr. Li Peng (李鵬)

Mr. Weng Jianxing (翁建興)

Ms. Gong Xiaoting (貢曉婷)

*Non-executive Directors:*

Mr. Peng Qilei (彭期磊)

Ms. Liu Jing (劉敬)

*Independent non-executive Directors:*

Mr. Liu Shengwen (劉升文)

Mr. Hon Leung (韓亮)

Mr. Tong Qiang (佟強)

*This announcement, for which 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 this announcement misleading.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) 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).*

\* *For identification purpose only*