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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 IN RELATION TO THE FACTORING AGREEMENT

THE FACTORING AGREEMENT

On 23 May 2025, the Company entered into the Factoring Agreement with Kuaiyi Tiandi, pursuant to which the Company has agreed to provide accounts receivable factoring service for Kuaiyi Tiandi with a factoring principal amount of up to RMB8,000,000, in return for (i) factoring interest income; and (ii) transfer of the legal title of accounts receivables created in the ordinary and usual course of business of Kuaiyi Tiandi with its customer(s) (i.e. debtor(s) of Kuaiyi Tiandi) from Kuaiyi Tiandi to the Company.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the transaction contemplated under the Factoring Agreement exceed 5% but all of which are less than 25%, the transaction constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

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If there is any event of default of the terms of the Factoring Agreement, the Company may exercise its right of recourse and demand for repurchase of the accounts receivables by Kuaiyi Tiandi. In such event, Kuaiyi Tiandi shall be liable to pay the factoring expenses, default compensation and the outstanding factoring principal amount to the Company.

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

Date of agreement:	23 May 2025
Parties:	the Company (as factor) Kuaiyi Tiandi (as seller)
Type of facility:	One-off and with recourse
Financing term:	23 May 2025 to 22 May 2027 (or the date on which the factoring principal amount and factoring expenses are fully settled, whichever is the later).
Transfer of accounts receivables:	Subject to the terms and conditions of the Factoring Agreement, the accounts receivables of Kuaiyi Tiandi as referred to in the underlying transaction documents entered into between the parties pursuant to the Factoring Agreement shall be assigned to the Company.
Factoring principal amount:	A maximum amount of up to RMB8,000,000 (the “ Factoring Limit ”). The factoring principal amount will be calculated by the aggregate amount of accounts receivables to be assigned to the Company times the factoring ratio in accordance with the terms of the Factoring Agreement and, in any event, shall not exceed the Factoring Limit.

Payment of factoring principal amount:	Subject to the satisfaction of the terms and conditions as set out in the Factoring Agreement, the Company shall pay the factoring principal amount to Kuaiyi Tiandi. The payment shall represent the accounts receivables being assigned to the Company times the factoring ratio, in accordance with the terms of such agreement and, in any event, shall not exceed the Factoring Limit.
Factoring ratio:	The factoring ratio, which represents the ratio of the maximum factoring principal amount to the accounts receivables being assigned, under the Factoring Agreement shall not exceed 83.42%.
Factoring interest:	<p>The factoring interest shall be calculated based on the following formula:</p> $(A \times B) \div 360 \times C$ <p>A = the outstanding balance of the factoring principal amount</p> <p>B = the interest rate of 5% per annum</p> <p>C = the actual number of days of the advancement</p> <p>The factoring interest under the Factoring Agreement shall be payable by Kuaiyi Tiandi to the Company on a quarterly basis pursuant to the terms of the Factoring Agreement and the underlying transaction documents entered into between the parties pursuant to the Factoring Agreement.</p>
Repayment of the factoring principal amount:	The factoring principal amount is repayable in full on or before 22 May 2027 pursuant to the terms and conditions of the Factoring Agreement and the underlying transaction documents entered into between the parties pursuant to the Factoring Agreement.

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

Repurchase: The Company shall be entitled to demand Kuaiyi Tiandi to immediately and unconditionally repurchase the outstanding amount of accounts receivables being transferred to the Company, repay the outstanding factoring principal amount and pay the factoring expenses in the event that any of the triggering events as stipulated in the Factoring Agreement occurs, including but not limited to the following major triggering events:

- (i) Kuaiyi Tiandi has commercial dispute with its debtor(s) in respect of the underlying contract(s);
- (ii) the Company being unable to receive the timely payment in full of the accounts receivables by the debtor(s) of Kuaiyi Tiandi as a result of the credit risk of the debtor(s) of Kuaiyi Tiandi;
- (iii) Kuaiyi Tiandi waiving or offsetting the payment of the accounts receivables transferred to the Company without giving notice to the Company;
- (iv) the debtor(s) of Kuaiyi Tiandi being merged, divided, reorganised, the assets of the debtor(s) of Kuaiyi Tiandi being transferred, the fund of the debtor(s) of Kuaiyi Tiandi being misappropriated, the business operation of the debtor(s) of Kuaiyi Tiandi being ceased or suspended, etc., which has adverse effect to the repayment of the accounts receivables;
- (v) the debtor(s) of Kuaiyi Tiandi being involved or possibly involved in any major economic dispute, litigation or arbitration;

- (vi) the debtor(s) of Kuaiyi Tiandi 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 the Company deems appropriate for Kuaiyi Tiandi to repurchase the outstanding amount of the accounts receivables.

Guarantee: Beijing Ruiyuan has separately entered into the guarantee in favour of the Company in respect of all debt payable by Kuaiyi Tiandi to the Company under the Factoring Agreement.

The provision of factoring facility by the Company under the Factoring Agreement will be financed by the internal resources of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Factoring Agreement would enable the Group to earn factoring interest income. The terms of the Factoring Agreement were agreed between the Company and Kuaiyi Tiandi after arm's length negotiations between the parties and are on normal commercial terms with reference to other comparable transactions the Group conducted with Independent Third Parties, the lending capacity of the Company, the credit assessment on Kuaiyi Tiandi and the outstanding amount of accounts receivables to be assigned to the Company by Kuaiyi Tiandi.

Adopting the Company's prudent approach in selecting factoring customers, the Company has critically assessed the quality of the accounts receivable of Kuaiyi Tiandi by considering the background of its debtors, their repayment history and their financial position. The Company took into consideration that the Factoring Agreement is with recourse and with a guarantee by each of the guarantors, on which the Company performed a credit assessment with satisfactory results. After applying the set of criteria the Group uses to assess the likelihood of repayment by the borrower and the collectability of principal and interest, the Company considers the credit assessment of Kuaiyi Tiandi to be satisfactory, and that the credit risk on the Factoring Agreement is relatively low.

As the provision of factoring services is one of the Group's principal businesses, the Directors consider that the entering into of the Factoring Agreement is in the ordinary and usual course of business of the Company and will generate revenue and cashflow stream from the factoring interest received.

In view of the above, the Directors are of the view that the terms of the Factoring Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

INFORMATION ON THE GROUP

The Group is principally engaged in the provision of financial leasing, factoring, consultancy and customer referral services, supply of medical equipment, energy storage business and cross-border e-commerce business in the PRC.

INFORMATION ON KUAIYI TIANDI

Kuaiyi Tiandi is a company established in the PRC with limited liability and is principally engaged in property management, contracting for exhibitions and display functions, and organizing cultural and artistic exchange activities. Based on public information available, as at the date of this announcement, Kuaiyi Tiandi is owned as to 51% by Kuaiyi Mingshang and 49% by Beijing Ruiyuan.

Kuaiyi Mingshang is indirectly owned as to 20.81% by the Company, 17.37% by Shanghai Guanjun Biotechnology Co., Ltd.* (上海冠菌生物科技有限公司) (a company wholly owned by Wang Fuhan (王輔晗)), 13.71% by Shanghai Huifan Enterprise Management Center (Limited Partnership)* (上海惠番企業管理中心 (有限合夥)) (“**Shanghai Huifan**”), 11.57% by Wang Fuhan (王輔晗), 10.93% by Xu Lihong (徐麗虹), 8.25% by Beijing Ruiyuan, 4.90% by Shanghai Zhayuan Enterprise Management Partnership (Limited Partnership)* (上海札遠企業管理合夥企業 (有限合夥)) (which is owned as to 80% by Liu Xuan (劉璇), 10% by Liu Jingshi (劉井石) and 10% by Pan Xiaojin (潘小進)), 4.29% by Shanghai Qiangao Enterprise Management Partnership (Limited Partnership)* (上海謙高企業管理合夥企業 (有限合夥)) (which is owned as to 60% by Wang Fuhan (王輔晗), 35% by Yang Cheng (羊澄) and 5% by Shen Jian (沈劍)), 3.40% by Shanghai Da'an Jiaming Investment Management Co., Ltd.* (上海達安嘉銘投資管理有限公司) (which is indirectly ultimately controlled by state-owned companies), 3.06% by Pan Xiaojin (潘小進), 1.06% by Shanghai Kuaijing Enterprise Management Co., Ltd.* (上海快璟企業管理有限公司) (which is wholly owned by Kuaiyi Mingshang) and 0.64% by Mou Shanbo (牟善勃).

Shanghai Huifan is owned as to 60% by Dongguan Zhansheng Industrial Investment Co., Ltd.* (東莞市展生實業投資有限公司)(“**Dongguan Zhansheng**”), indirectly owned as to 24% by Jin Xiaofeng (金曉鋒) and 16% by Yifeng (Shanghai) Investment Management Co., Ltd.* (翌峰(上海)投資管理有限公司) (“**Yifeng Investment**”). Dongguan Zhansheng is owned as to 99% by Guangdong Sanguyue Equity Investment Center (Limited Partnership)* (廣東叁古月股權投資中心(有限合夥)) (“**Guangdong Sanguyue**”) and 1% by Hu Zhili (胡智莉). Guangdong Sanguyue is owned as to 99% by Hu Zhansheng (胡展生) and 1% by Hu Zhili (胡智莉). Yifeng Investment is owned as to 80% by Jin Xiaofeng (金曉鋒) and 20% by Lingui (林歸).

Beijing Ruiyuan is owned as to 50% by Yang Yi (楊毅) and 50% by Zhao Xianghui (趙翔暉).

To the best of the knowledge, information available and belief of the Directors having made all reasonable enquiry, except for the equity interests indirectly held by the Company, Kuaiyi Tiandi and its ultimate beneficial owners are Independent Third Parties.

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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
“Beijing Ruiyuan”	Beijing Ruiyuan Chenxing Enterprise Management Development Co., Ltd.* (北京瑞苑辰星企業管理發展有限公司)
“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
“Factoring Agreement”	the with-recourse commercial factoring agreement dated 23 May 2025 entered into between the Company (as factor) and Kuaiyi Tiandi (as seller) in respect of the accounts receivable factoring services to be provided by the Company to Kuaiyi Tiandi with a factoring principal amount of up to RMB8,000,000
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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
“Kuaiyi Mingshang”	Shanghai Kuaiyi Mingshang Cloud Technology Co., Ltd.* (上海快易名商雲科技股份有限公司)
“Kuaiyi Tiandi”	Beijing Kuaiyi Tiandi Enterprise Management Co., Ltd.* (北京快易天地企業管理有限公司)
“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 PRC and Taiwan
“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
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“%”	per cent

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

Hong Kong, 23 May 2025

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 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 purpose only*