

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Dafy Holdings Limited
達飛控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1826)

VOLUNTARY ANNOUNCEMENT

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
ENTERING INTO NEW LEASE AGREEMENTS IN RESPECT OF
(1) RISK MANAGEMENT AND OPERATIONS MANAGEMENT SYSTEM
AND (2) HARDWARE AND SOFTWARE SYSTEM IN CONNECTION
WITH ONLINE CREDIT FACILITATION BUSINESS**

Reference is made to the announcement of the Company dated 21 September 2018, in relation to Existing Lease Agreement 1 and Existing Lease Agreement 2 between Shangrao and Shenzhen Dafy and Dafy Yundai respectively.

As Existing Lease Agreement 1 and Existing Lease Agreement 2 will expire on 31 December 2018, Shangrao, an indirect non-wholly owned subsidiary of the Company, entered into New Lease Agreement 1 and New Lease Agreement 2 respectively with Shenzhen Dafy and Dafy Yundai on 17 December 2018 (after trading hours).

As at the date of this announcement, Gentle Soar is beneficially interested in 862,400,000 Shares and Mr Gao beneficially owns the entire issued capital of Gentle Soar. Mr Gao is also the executive Director and chairman of the Board. Hence, Mr Gao is a connected person of the Company under Chapter 14A of the Listing Rules.

Mr Gao is also beneficially interested in 94.8% and 71.3% of the registered share capital of Shenzhen Dafy and Dafy Yundai respectively. Hence, each of Shenzhen Dafy and Dafy Yundai is an associate of Mr. Gao and connected person of the Company under Chapter 14A of the Listing Rules.

As such, the transactions contemplated under the New Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since (i) each of the New Lease Agreements has been entered into after arm's length negotiations and determined on normal commercial terms or better; (ii) in aggregation of the New Lease Agreements, all the relevant percentage ratios (as defined under the Listing Rules) are less than 5% but exceed 0.1%; and (iii) the total consideration of the New Lease Agreements in aggregate is less than HK\$3,000,000, each of the New Lease Agreements and the transactions contemplated thereunder are fully exempt from independent financial advice, shareholders' approval, annual review and all disclosure requirements under Rule 14A.76 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

INTRODUCTION

Reference is made to the announcement of the Company dated 21 September 2018, in relation to entering into Existing Lease Agreement 1 and Existing Lease Agreement 2 between Shangrao and Shenzhen Dafy and Dafy Yundai respectively.

As Existing Lease Agreement 1 and Existing Lease Agreement 2 will expire on 31 December 2018 and the Group intends to continue carrying out the transactions contemplated thereunder in its ordinary and usual course of business, Shangrao, an indirect non-wholly owned subsidiary of the Company, entered into New Lease Agreement 1 and New Lease Agreement 2 respectively with Shenzhen Dafy and Dafy Yundai on 17 December 2018 (after trading hours), details of which are as follows:

MAJOR TERMS OF NEW LEASE AGREEMENT 1

Date

17 December 2018

Parties

- (i) Lessor: Shenzhen Dafy
- (ii) Lessee: Shangrao

Subject matter for lease

Risk management and operations management systems in connection with credit facilitation business.

Duration and Termination

The duration of New Lease Agreement 1 is from 1 January 2019 to 30 June 2019 (both days inclusive) which may be terminated by Shangrao giving 15-day prior written notice to Shenzhen Dafy or by Shenzhen Dafy giving 30-day prior written notice to Shangrao.

Pricing

The amount of fees payable by Shangrao for New Lease Agreement 1 is RMB980,000, which was determined after arm's length negotiations between Shangrao and Shenzhen Dafy on normal commercial terms taking into account the following factors including (i) reference to the pricing of other systems with similar functions; (ii) the estimated amount of time, resources and personnel to be involved if Shangrao is to develop the systems itself; and (iii) the nature and features of the systems.

Payment

Shangrao shall pay the leasing fee within 30 days after the signing of New Lease Agreement 1, which is similar to payment arrangements of other similar systems offered by independent third parties.

Annual Cap

Since the duration of New Lease Agreement 1 does not exceed the financial year end of the Company in 2019 and taking into account the historical transaction amount under Existing Lease Agreement 1, the proposed annual cap for the transactions contemplated under New Lease Agreement 1 for the year ending 31 December 2019 is RMB980,000.

MAJOR TERMS OF NEW LEASE AGREEMENT 2

Date

17 December 2018

Parties

- (i) Lessor: Dafy Yundai
- (ii) Lessee: Shangrao

Subject matter for leasing

Hardware and software system in connection with the online credit facilitation business on the mobile application “達飛雲貸”.

Duration and Termination

The duration of New Lease Agreement 2 is from 1 January 2019 to 30 June 2019 (both days inclusive) which may be terminated by Shangrao giving 15-day prior written notice to Dafy Yundai or by Dafy Yundai giving 30-day prior written notice to Shangrao.

Pricing

The amount of fees payable by Shangrao for New Lease Agreement 2 is RMB970,000, which was determined after arm's length negotiations between Shangrao and Dafy Yundai on normal commercial terms taking into account the following factors including (i) reference

to the pricing of other similar hardware and software system and (ii) the estimated amount of time, resources and personnel to be involved if Shangrao is to develop the software system itself; and (iii) the nature and features of the hardware and software system.

Payment

Shangrao shall pay the leasing fee within 30 days after the signing of New Lease Agreement 2, which is similar to payment arrangements of other similar products offered by independent third parties.

Annual Cap

Since the duration of New Lease Agreement 2 does not exceed the financial year end of the Company in 2019 and taking into account the historical transaction amount under Existing Lease Agreement 2, the proposed annual cap for the transactions contemplated under New Lease Agreement 2 for the year ending 31 December 2019 is RMB970,000.

DIRECTORS' VIEW

As disclosed under the section "Listing Rules Implications" of this announcement, each of Shenzhen Dafy and Dafy Yundai is an associate of Mr Gao and connected person of the Company under Chapter 14A of the Listing Rules. As such, Mr Gao was required to, and had abstained from, voting on the relevant board resolution of the Company in relation to the New Lease Agreements, the transactions contemplated thereunder and the proposed Annual Caps.

Each of Mr Qi and Mr Lu is beneficially interested in 1% and 1.6% of the registered share capital of Shenzhen Dafy respectively, and 0.75% and 1.2% of the registered share capital of Dafy Yundai respectively. In view of the shareholding of Mr Qi and Mr Lu in Shenzhen Dafy and Dafy Yundai, each of Mr Qi and Mr Lu had voluntarily abstained from voting on the relevant board resolution of the Company in relation to the New Lease Agreements, the transactions contemplated thereunder and the proposed Annual Caps.

The Directors (including the independent non-executive Directors but excluding the Directors who abstained from voting) are of the opinion that:

- (i) the terms of the New Lease Agreements are on normal commercial terms;
- (ii) the Annual Caps are fair and reasonable; and
- (iii) the continuing connected transactions contemplated under the New Lease Agreements are and have been entered into in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

Information of the Group and the Company

The principal business activity of the Company is investment holding. The Group is principally engaged in (i) contracting service for alteration and addition works, maintenance, specialist works and new development; and (ii) consulting service for alteration and addition works, new development, licensing, building services, and architectural design for buildings in Hong Kong.

Information of Shangrao

Shangrao was established under the laws of the PRC with limited liability, an indirect subsidiary of the Company with 51% owned by the Company and 49% owned by Mr Gao. It is principally engaged in the provision of information technology development and credit facilitation business services in the PRC.

Information of Shenzhen Dafy

Shenzhen Dafy was established under the laws of the PRC with limited liability. It is principally engaged in the research and development of information technology application systems.

Information of Dafy Yundai

Dafy Yundai was established under the laws of the PRC with limited liability. It is principally engaged in the provision of consumer financial services including point-to-point consumer financial services.

REASONS AND BENEFITS OF THE NEW LEASE AGREEMENTS

The Company has been actively exploring opportunities to diversify its stream of revenue in order to add momentum to the growth of the Group and to explore new markets with significant growth potential. The transactions contemplated under the New Lease Agreements will provide the Group with actual and fundamental resources in realizing the Company's vision in diversifying and expanding its business into the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Gentle Soar is beneficially interested in 862,400,000 Shares and Mr Gao beneficially owns the entire issued capital of Gentle Soar. Mr Gao is also the executive Director and chairman of the Board. Hence, Mr Gao is a connected person of the Company under Chapter 14A of the Listing Rules.

Mr Gao is also beneficially interested in 94.8% and 71.3% of the registered share capital of Shenzhen Dafy and Dafy Yundai respectively. Hence, each of Shenzhen Dafy and Dafy Yundai is an associate of Mr Gao and connected person of the Company under Chapter 14A of the Listing Rules.

As such, the transactions contemplated under the New Lease Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Since (i) each of the New Lease Agreements has been entered into after arm's length negotiations and determined on normal commercial terms or better; (ii) in aggregation of the New Lease Agreements, all the relevant percentage ratios (as defined under the Listing Rules) are less than 5% but exceed 0.1%; and (iii) the total consideration of the New Lease Agreements in aggregate is less than HK\$3,000,000, the New Lease Agreements and the transactions contemplated thereunder are fully exempt from independent financial advice, shareholders' approval, annual review and all disclosure requirements under Rule 14A.76 of the Listing Rules. This announcement is made by the Company on a voluntary basis.

DEFINITIONS

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

“Annual Caps”	the annual caps in respect of the New Lease Agreement 1 and New Lease Agreement 2 for the year ending 31 December 2019 in an amount of RMB980,000 and RMB970,000 respectively
“associates(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Dafy Holdings Limited 達飛控股有限公司, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Dafy Yundai”	Dafy Yundai Technology (Beijing) Co., Ltd.* (達飛雲貸科技(北京)有限公司), a company incorporated in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“Existing Lease Agreement 1”	the lease agreement dated 21 September 2018 entered between Shangrao and Shenzhen Dafy, which will expire on 31 December 2018
“Existing Lease Agreement 2”	the lease agreement dated 21 September 2018 entered between Shangrao and Dafy Yundai, which will expire on 31 December 2018
“Existing Lease Agreements”	Existing Lease Agreement 1 and Existing Lease Agreement 2

“Gentle Soar”	Gentle Soar Limited, a company incorporated in the British Virgin Islands with limited liability and is beneficially and wholly owned by Mr Gao
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr Gao”	Mr Gao Yunhong (高雲紅先生), the chairman of the Board, an executive Director and a controlling Shareholder
“Mr Lu”	Mr Lu Xin (魯欣先生), an executive Director
“Mr Qi”	Mr Qi Gang (齊剛先生), an executive Director
“New Lease Agreement 1”	the Lease Agreement dated 17 December 2018 entered between Shangrao and Shenzhen Dafy
“New Lease Agreement 2”	the Lease Agreement dated 17 December 2018 entered between Shangrao and Dafy Yundai
“New Lease Agreements”	New Lease Agreement 1 and New Lease Agreement 2
“PRC”	the People’s Republic of China which, for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shangrao”	Shangrao Dafy Financial Data Service Co., Ltd.* (上饒市達飛金融信息服務有限公司), a company incorporated in the PRC with limited liability, an indirect subsidiary of the Company with 51% owned by the Company and 49% owned by Mr Gao
“Share(s)”	existing ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time
“Shenzhen Dafy”	Shenzhen Dafy Technology Holdings Co., Ltd.* (深圳達飛科技控股有限公司), a company incorporated in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)” has the meaning ascribed to it under the Listing Rules

“%” per cent

By Order of the Board
Dafy Holdings Limited
Ng Kin Siu
Executive Director

Hong Kong, 17 December 2018

As at the date of this announcement, the executive Directors are Mr Gao Yunhong, Mr Qi Gang, Mr Lu Xin and Mr Ng Kin Siu; and the independent non-executive Directors are Mr Chan Yuk Sang, Mr Wan Chi Wai Anthony and Mr Lau Kwok Fai Patrick.

* *For identification purpose only*