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**Dafy Holdings Limited**  
**達飛控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 1826)**

**CONNECTED TRANSACTION**  
**ACQUISITION OF 51% EQUITY INTEREST IN A PRC COMPANY**

**SALE AND PURCHASE AGREEMENT**

The Board is pleased to announce that on 3 August 2018 (after trading hours), Shanghai Faye Yu, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Mr. Gao, pursuant to which Mr. Gao agreed to sell, and Shanghai Faye Yu agreed to acquire, 51% of the equity interest in the Target Company at a consideration of RMB1.00. Upon Completion, the Target Company has become an indirect non-wholly owned subsidiary of the Company.

**LISTING RULES IMPLICATIONS**

As of the date of this announcement, Gentle Soar is beneficially interested in 862,400,000 Shares (representing 70% of the entire issued Shares of the Company) and Mr. Gao beneficially owns the entire issued shares of Gentle Soar. Hence, Mr. Gao is a controlling Shareholder. Mr. Gao is also the chairman of the Board and an executive Director. He is therefore a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest of all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 0.1% but less than 5%, the Acquisition is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements, but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

The Board is pleased to announce that on 3 August 2018 (after trading hours), Shanghai Faye Yu, an indirect wholly-owned subsidiary of the Company, as purchaser, entered into the Sale and Purchase Agreement with Mr. Gao, as vendor, for the sale and purchase of 51% of the equity interest in the Target Company, details of which are as follows.

## **SALE AND PURCHASE AGREEMENT**

### **Date**

3 August 2018 (after trading hours)

### **Parties**

- (i) Shanghai Faye Yu; and
- (ii) Mr. Gao.

### **Assets agreed to be acquired**

51% of the equity interest in the Target Company, being 51% of the registered share capital of the Target Company

### **Consideration**

The consideration for the Acquisition is RMB1.00, which has been paid in cash by Shanghai Faye Yu to Mr. Gao upon signing of the Sale and Purchase Agreement and was financed by the Group's internal resources. The consideration was determined after arm's length negotiations between Shanghai Faye Yu and Mr. Gao taking into account the net asset value of the Target Company.

### **Completion**

Mr. Gao shall assist Shanghai Faye Yu in completing the registration of the change in shareholding in the relevant authorities in the PRC within 10 days from the signing of the Sale and Purchase Agreement. Completion shall take place upon completion of such registration. Such registration was completed on 3 August 2018 and Completion has taken place accordingly.

Upon Completion, the Target Company has become an indirect non-wholly owned subsidiary of the Company.

### **Post-completion undertaking by the parties**

At the date of the Sale and Purchase Agreement, the Target Company has a registered capital of RMB100,000,000, representing the amount to be paid up by Shanghai Faye Yu and Mr. Gao according to their corresponding shareholding in the Target Company.

Having considered the business operation of the Target Company, Shanghai Faye Yu and Mr. Gao have agreed to reduce the registered capital of the Target Company to RMB70,000,000 within one year of Completion. The capital commitment on part of Shanghai Faye Yu in paying up its respective share of the registered share capital of the Target Company is RMB35,700,000.

Under the articles of the Target Company, Shanghai Faye Yu shall pay up its respective share of the registered share capital of the Target Company by 7 June 2047. The Company intends to fulfil the capital commitment of Shanghai Faye Yu by way of the Group's internal resources. Further fundraising activities would be carried out if necessary and the Company will make further announcement if and when appropriate.

## **INFORMATION ON THE TARGET COMPANY**

The Target Company was established under the laws of the PRC on 12 June 2018 with a registered share capital of RMB100,000,000 (which has not been paid up). Its permitted scopes of business include, among other things, financial data consultation services, computer software and hardware technology development, operation of e-commerce, data analysis and processing, and internet platform technology development and technical consultation. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Target Company had no assets, and since establishment, the Target Company has not been in operation and has not generated any revenue or profit.

## **INFORMATION ON THE PARTIES**

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. Shanghai Faye Yu is principally engaged in the provision of, among other things, computer information, network and electronic technology development, consulting and advertising in the PRC.

Mr. Gao is the chairman of the Board, an executive Director and a controlling Shareholder.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION**

The Board has been actively exploring other business opportunities in order to diversify the existing business of the Group and to explore new markets with significant growth potential. Taking into account the permitted scope of business of the Target Company, the Directors believe that the Acquisition will diversify the Group's business, maintain the continuous growth of the Group and enhance the long-term growth potential of the Company and its shareholders' value. As contemplated under the Sale and Purchase Agreement, the Acquisition and the subsequent intended capital commitment into the Target Company is a concrete step further to realise the Company's vision in diversifying and expanding its business into the PRC.

Taking into account the above reasons and the terms of the Sale and Purchase Agreement, all Directors (including the independent non-executive Directors) are of the view that (i) the terms of the Sale and Purchase Agreement are fair and reasonable; (ii) the Acquisition is in the ordinary course of business of the Company and the Group and on normal commercial terms or better; and (iii) the Acquisition is in the interests of the Company and the Shareholders as a whole.

Save and except for Mr. Gao (who is interested in the Sale and Purchase Agreement and the transactions contemplated thereunder and has abstained from voting on the relevant board resolutions), none of the Directors (including the independent non-executive Directors) has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder, and none of the Directors has abstained from voting on the relevant board resolutions.

## **LISTING RULES IMPLICATIONS**

As of the date of this announcement, Gentle Soar is beneficially interested in 862,400,000 Shares (representing 70% of the entire issued Shares of the Company) and Mr. Gao beneficially owns the entire issued shares of Gentle Soar. Hence, Mr. Gao is a controlling Shareholder. Mr. Gao is also the chairman of the Board and an executive Director. He is therefore a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the highest of all the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition is more than 0.1% but less than 5%, the Acquisition is exempt from the circular (including independent financial advice) and independent shareholders' approval requirements, but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

Terms used herein shall have the following meanings unless otherwise specified.

“Acquisition”	the acquisition by Shanghai Faye Yu of 51% of the equity interest in the Target Company from Mr. Gao as contemplated under the Sale and Purchase Agreement
“Sale and Purchase Agreement”	the sale and purchase agreement, dated 3 August 2018, entered into between Shanghai Faye Yu and Mr. Gao in respect of the Acquisition
“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, whose Shares are listed on the main board of the Stock Exchange (stock code: 1826)
“Completion”	completion of the Acquisition

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Gentle Soar”	Gentle Soar Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by Mr. Gao
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“PRC”	the People’s Republic of China, which for the purpose of this announcement does not include 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 Faye Yu”	上海飛毓科技有限公司 (Shanghai Faye Yu Technology Co., Ltd.*), a company established under the laws of the PRC on 13 April 2018 and an indirect wholly-owned subsidiary of the Company
“Share(s)”	the ordinary shares of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

“Target Company”

上饒市達飛金融信息服務有限公司 (Shangrao Dafy Financial Data Service Co., Ltd.\*)，a company established under the laws of the PRC on 12 June 2018 with a registered share capital of RMB100,000,000, which was wholly and beneficially owned by Mr. Gao immediately prior to Completion

“%”

per cent.

By Order of the Board  
**Dafy Holdings Limited**  
**Qi Gang**  
*Executive Director*

Hong Kong, 6 August 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*