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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)**

**INSIDE INFORMATION**  
**ESTABLISHMENT OF A SUBSIDIARY**  
**IN THE PEOPLE'S REPUBLIC OF CHINA**

This announcement is made by Dafy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 27 March 2018 in respect of the annual results of the Company for the year ended 31 December 2017 (the “**Announcement**”).

Further to as mentioned under the paragraph headed “Management Discussion and Analysis — Business review and outlook” of the Announcement, the board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that the Company is in the process of establishing a wholly foreign-owned enterprise in the People’s Republic of China (the “**PRC**”), namely, 上海飛毓有限公司 (Shanghai Faye Yu Technology Co., Ltd.\*) (subject to the final name as approved and registered by the relevant industry and commerce bureau (工商局) in the PRC) (the “**PRC Subsidiary**”).

The PRC Subsidiary will have a registered capital of RMB5 million which is expected to be paid up by the Group’s internal resources. It is intended that the PRC Subsidiary will be principally engaged in the provision of, among other things, computer, information, network and electronic technology development, consulting and advertising in the PRC. The Directors believe that this 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 at the date of this announcement, the PRC Subsidiary had not yet begun any business operations and had not recorded any revenue. Taking into account the good prospect and development potential in the market of Mainland China, the Company is currently optimistic about the relevant business that the PRC Subsidiary intends to engage in. The establishment of the PRC Subsidiary will be the Company's proactive attempt to utilise shareholders' resources in expanding its business into the PRC.

None of the Directors or substantial shareholders (as defined in the Listing Rules) of the Company or their respective associates (as defined in the Listing Rules) has any interest, direct or indirect, in the PRC Subsidiary (other than their shareholding interests in the Company).

By Order of the Board  
**Dafy Holdings Limited**  
**Gao Yunhong**  
*Chairman of the Board and executive Director*

Hong Kong, 9 April 2018

*As at the date of this announcement, the executive Directors are Mr. Gao Yunhong, Ms. Zhu Wenhui, Mr. Qi Gang 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*