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Byleasing Holdings Limited

百應租賃控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8525)

DISCLOSEABLE TRANSACTION IN RELATION TO THE FINANCE LEASE AGREEMENT

FINANCE LEASE AGREEMENT WITH LESSEE R

On 26 October 2018 (after market close), the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into a sale-leaseback transaction with Lessee R under the Finance Lease Agreement. Pursuant to the Finance Lease Agreement, the Purchaser would purchase from Lessee R the Leaseback Assets at the consideration of RMB32,000,000 (equivalent to approximately HK\$36,178,632) and lease to Lessee R the Leaseback Assets for a term of 36 months in return for Lease Payment.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable ratios (as defined in the GEM Listing Rules) for the transaction contemplated under the Finance Lease Agreement exceeds 5% but less than 25%, such transaction constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

INTRODUCTION

On 26 October 2018 (after market close), the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into a sale-leaseback transaction with Lessee R under the Finance Lease Agreement. Pursuant to the Finance Lease Agreement, the Purchaser would purchase from Lessee R the Leaseback Assets at the consideration of RMB32,000,000 (equivalent to approximately HK\$36,178,632) and lease to Lessee R the Leaseback Assets for a term of 36 months in return for Lease Payment.

FINANCE LEASE AGREEMENT WITH LESSEE R

The principal terms and conditions of the Finance Lease Agreement are summarized as follow:

Finance Lease Agreement

Date: 26 October 2018 (after market close)

Parties: The Purchaser

Lessee R

Assets acquired: The leaseback assets are 17 sets/batches of livestock slaughtering meat processing equipment and production lines (the “**Leaseback Assets**”).

Consideration: The consideration for the purchase of the Leaseback Assets is RMB32,000,000 (equivalent to approximately HK\$36,178,632) (the “**Consideration**”).

The Consideration payable by the Purchaser was based on the original purchase prices payable by Lessee R for the purchase of the Leaseback Assets as evidenced by the invoices issued by the relevant agents and/or the contracts entered into with the relevant agents. In determining the amount of Consideration, the Purchaser has made reference to the original purchase prices of the Leaseback Assets, and through arm’s length negotiations with Lessee R.

Payment of consideration: Subject to the fulfilment of certain conditions, including, among others, the receipt by the Purchaser from Lessee R (i) all necessary approvals regarding the transfer of the Leaseback Assets; (ii) complete set of documents or proof documents in respect of the ownership of the Leaseback Assets; (iii) documents, files, parts and accessories accompanied with the Leaseback Assets; (iv) full description of the existing state of the Leaseback Assets; (v) evidence of due payments of the purchase prices of the Leaseback Assets; and (vi) Lessee R's declaration that no encumbrance has been created in respect of the Leaseback Assets, the Purchaser shall pay to Lessee R the Consideration within 7 business days after the fulfilment of the aforesaid conditions.

Ownership of the Leaseback Assets: The Purchaser will be entitled to the Leaseback Assets upon payment of the Consideration.

Lease term: The Leaseback Assets are leased from the Purchaser to Lessee R for a term of 36 months commencing from the effective date of the Finance Lease Agreement.

Lease payment: The lease payment for the entire lease term is RMB37,200,000 (equivalent to approximately HK\$42,057,660) (the "**Lease Payment**").

The Lease Payment shall be payable by Lessee R by 36 monthly instalments commencing from the effective date of the Finance Lease Agreement. The monthly instalment in respect of the Lease Payment ranges from RMB900,000 (equivalent to approximately HK\$1,017,524) to RMB1,120,000 (equivalent to approximately HK\$1,266,252).

The Lease Payment for the entire lease term was based on the Consideration plus the total amount of interest agreed to be charged by the Purchaser to Lessee R for the entire lease term.

The interest rate for the sale-leaseback transaction under the Finance Lease Agreement is 10.41% per annum. The interest rate was determined by the Purchaser and Lessee R through arm's length negotiation, and in determining the interest rate, the Purchaser has taken into account the prevailing bank lending rate, creditability of Lessee R with reference to its credit track record, as well as the interest rate of comparable companies of Lessee R.

Security deposit:

A security deposit of RMB3,200,000 (equivalent to approximately HK\$3,617,863) shall be payable by Lessee R to secure the performance of its obligations under the Finance Lease Agreement. In addition, the Purchaser may (i) apply the security deposit to settle the final outstanding amount of the Lease Payment; or (ii) pay it back to Lessee R without interest after Lessee R has fully discharged its payment obligation under the Finance Lease Agreement.

Default payment:

If Lessee R fails to pay any amount of the Lease Payment due or any other amount payable under the Finance Lease Agreement, Lessee R shall make default payment since the payment due date, which is equivalent to the product of (i) the amount of late payment; (ii) a daily default rate of 0.13%; and (iii) the number of days from the payment due date to the full settlement date.

Retention consideration:

Subject to the fulfilment of all of Lessee R's obligations under the Finance Lease Agreement and the payment of the last instalment for the Lease Payment, Lessee R may purchase the Leaseback Assets from the Purchaser upon payment of the retention payment at the consideration of RMB30,000 (equivalent to approximately HK\$33,917).

Advance purchase by Lessee R: The Purchaser agrees that Lessee R may purchase the Leaseback Assets in advance if (i) there is no default on the part of Lessee R (or has there been any default, such default has been cured and the default payments have been duly made); (ii) Lessee R gives the Purchaser a 30-day advance notice of the proposed advance purchase; (iii) 6 months have passed since the commencement of the lease term; and (iv) the Purchaser has issued consent in writing to the proposed advance purchase by Lessee R.

Events of default: The Purchaser may take possession and dispose of the Leaseback Assets and/or declare that the outstanding lease payment, other amounts payable by Lessee R and the default payment shall be immediately payable by Lessee R and/or take legal action in the occurrence of certain triggering events, including, among others, the failure to pay on time any instalment of the Lease Payment or any other amount payable by Lessee R in full or the failure of Lessee R to perform any other duties and obligations under the Finance Lease Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The principal business of the Purchaser is primarily engaged in finance leasing business, leasing trading consultancy and guarantee and factoring services in the PRC. It is expected that the Finance Lease Agreement will enable the Group to earn an aggregate income of approximately RMB6,830,000 (equivalent to approximately HK\$7,721,877).

Given that the Finance Lease Agreement was entered into in the ordinary and usual course of business of the Purchaser and agreed between the Purchaser and Lessee R on the normal commercial terms, the Directors are of the view that the terms of the Finance Lease Agreement are fair and reasonable and are in the interest of the Group and the Shareholders as a whole.

INFORMATION ABOUT THE COMPANY

The Group is primarily providing finance leasing services, factoring services and advisory services to the customers.

INFORMATION ABOUT THE PURCHASER

The Purchaser is a company established in the PRC and is principally engaged in finance leasing business, leasing trading consultancy and guarantee and factoring services in the PRC.

INFORMATION ABOUT LESSEE R

Lessee R is a joint venture company established in the PRC and is principally engaged in, among others, the sale of frozen foods, livestock, aquatic products and feeds, food processing equipment leasing, animal slaughtering and processing, and sale, manufacturing and processing of meat products. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Lessee R and its ultimate beneficial owners are Independent Third Parties.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable ratios (as defined in the GEM Listing Rules) for the transaction contemplated under the Finance Lease Agreement exceeds 5% but less than 25%, such transaction constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

DEFINITIONS

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

“Company”	Byleasing Holdings Limited (百應租賃控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 5 June 2017, the Shares of which are listed on GEM (stock code: 8525)
“Director(s)”	the director(s) of the Company

“Exchange”	The Stock Exchange of Hong Kong Limited
“Finance Lease Agreement”	the finance lease agreement dated 26 October 2018, after market close, entered into between the Purchaser and Lessee R in respect of a sale-leaseback transaction
“GEM”	the GEM operated by the Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries as of the date of this announcement
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Parties”	the third party independent of and not connected with (within the meaning of the GEM Listing Rules) any Directors, chief executive of the Company or substantial Shareholders, its subsidiaries and their respective associates
“Lessee R”	a joint venture company established in the PRC, principally engaged in, among others, the sale of frozen foods, livestock, aquatic products and feeds, food processing equipment leasing, animal slaughtering and processing, and sale, manufacturing and processing of meat products, and the lessee under the Finance Lease Agreement
“PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to “PRC” do not apply to Taiwan, Macau Special Administrative Region and Hong Kong
“Purchaser”	Xiamen Baiying Leasing Co., Ltd.* (廈門百應融資租賃有限責任公司), a company established in the PRC principally engaged in finance leasing business, leasing trading consultancy and guarantee and factoring services in the PRC, an indirectly wholly-owned subsidiary of the Company

“RMB”	Renminbi, the lawful currency for the time being of the PRC
“Share(s)”	ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

* denotes English translation of the name of a Chinese company or entity, or vice versa, and is provided for identification purpose only

By Order of the Board
Byleasing Holdings Limited
Zhou Shiyuan
Chairman

Fujian Province, PRC, 26 October 2018

As of the date of this announcement, the executive Directors are Mr. Huang Dake, Mr. Chen Xinwei and Mr. Zhou Shiyuan; the non-executive Director is Mr. Ke Jinding; and the independent non-executive Directors are Mr. Chen Chaolin, Mr. Xie Mianbi and Mr. Tu Liandong.

For the purpose of this announcement, translations of RMB into HK\$ or vice versa have been calculated by using an exchange rate of RMB0.8845 equal to HK\$1.00. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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 GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least seven days from the date of its posting and remains on the Company’s website at www.byleasing.com.