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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
(1) THE EQUIPMENT PURCHASE AGREEMENT AND
(2) THE FINANCE LEASE AGREEMENT**

EQUIPMENT PURCHASE AGREEMENT

On 8 July 2019 (after market close), the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the Equipment Purchase Agreement with Shenzhen Antai and Lessee X. Pursuant to the Equipment Purchase Agreement, the Purchaser agreed to purchase the Equipment from Shenzhen Antai, upon Lessee X's selection of supplier and equipment, at the consideration of RMB8,960,000 (equivalent to approximately HK\$10,179,505).

FINANCE LEASE AGREEMENT WITH LESSEE X

On the same date, the Purchaser entered into the Finance Lease Agreement with Lessee X. Pursuant to the Finance Lease Agreement, the Purchaser would lease to Lessee X the Equipment for a term of 24 months in return for the Lease Payment.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) for the transaction contemplated under the Finance Lease Arrangement exceeds 5% but less than 25%, such transaction constitutes a disclosable 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 8 July 2019 (after market close), the Purchaser, an indirectly wholly-owned subsidiary of the Company, entered into the Equipment Purchase Agreement with Shenzhen Antai and Lessee X. Pursuant to the Equipment Purchase Agreement, the Purchaser agreed to purchase the Equipment from Shenzhen Antai, upon Lessee X's selection of supplier and equipment, at the consideration of RMB8,960,000 (equivalent to approximately HK\$10,179,505).

On the same date, the Purchaser entered into the Finance Lease Agreement with Lessee X. Pursuant to the Finance Lease Agreement, the Purchaser would lease to Lessee X the Equipment for a term of 24 months in return for the Lease Payment.

THE EQUIPMENT PURCHASE AGREEMENT

The principal terms and conditions of the Equipment Purchase Agreement are summarized as follow:

Date: 8 July 2019

Parties: The Purchaser

Shenzhen Antai

Lessee X

Subject matter: The Purchaser shall purchase the Equipment from Shenzhen Antai at the consideration of RMB8,960,000 (equivalent to approximately HK\$10,179,505) (the "**Consideration**").

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

Consideration: The Consideration payable by the Purchaser for the purchase of the Equipment was evidenced by the Equipment Purchase Agreement. In determining the amount of the Consideration, the Parties have made reference to the market purchase price of the Equipment, and through arm's length negotiations.

Payment of the Consideration: Subject to the fulfilment of certain conditions, including, among others, the receipt by the Purchaser from Lessee X of the down payment of RMB1,657,600 (equivalent to approximately HK\$1,883,208), the security deposit of RMB1,657,600 (equivalent to approximately HK\$1,883,208), the management fee of RMB268,800 (equivalent to approximately HK\$305,385) and the first instalment of the Lease Payment, the Purchaser shall pay to Shenzhen Antai the Consideration within 5 business days after the fulfilment of the aforesaid conditions.

The Consideration to be paid by the Purchaser will be financed from the internal resources of the Group.

THE FINANCE LEASE AGREEMENT WITH LESSEE X

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

Date: 8 July 2019

Parties: The Purchaser

Lessee X

Subject matter: Pursuant to the Finance Lease Agreement, the Purchaser agreed to lease the Equipment to Lessee X for a term of 24 months. The Lease Payment will be payable in 24 monthly installments.

Lease term: The Equipment are leased from the Purchaser to Lessee X for a term of 24 months commencing from 8 July 2019.

Lease Payment: The lease payment for the entire lease term is RMB7,691,280 (equivalent to approximately HK\$8,738,105) (the “**Lease Payment**”).

The Lease Payment shall be payable by Lessee X by 24 monthly instalments commencing from 8 July 2019. The monthly instalment in respect of the Lease Payment is RMB320,470 (equivalent to approximately HK\$364,088).

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

The interest rate under the Finance Lease Agreement is 5.48% per annum. The interest rate was determined by the Purchaser and Lessee X through arm's length negotiation, and in determining the interest rate, the Purchaser has taken into account the prevailing bank lending rate, credibility of Lessee X with reference to its credit track record, as well as the short lease term, the high proportion of the down payment and the security deposit of the Finance Lease Agreement.

Management fee:

The management fee in respect of the Finance Lease Agreement was RMB268,800 (equivalent to approximately HK\$305,385) payable within 5 business days from 8 July 2019. Such management fee was determined by the Purchaser and the Lessee X through arm's length negotiation with reference to the prevailing market rates for management fees in respect of finance lessees for similar assets.

Down payment:

The down payment in respect of the Finance Lease Agreement was RMB1,657,600 (equivalent to approximately HK\$1,883,208) payable within 5 business days from 8 July 2019.

Security deposit:

A security deposit of RMB1,657,600 (equivalent to approximately HK\$1,883,208) shall be payable by Lessee X 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 X without interest after Lessee X has fully discharged its payment obligation under the Finance Lease Agreement.

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

Retention consideration: Subject to the fulfilment of all of Lessee X's obligations under the Finance Lease Agreement and the payment of the last instalment for the Lease Payment, Lessee X may purchase the Equipment from the Purchaser upon payment of the retention payment at the consideration of RMB1,000 (equivalent to approximately HK\$1,136).

Advance purchase by Lessee X: The Purchaser agrees that Lessee X may purchase the Equipment in advance if (i) there is no default on the part of Lessee X (or has there been any default, such default has been cured and the default payments have been duly made); (ii) Lessee X 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 X.

Events of default: The Purchaser may take possession and dispose of the Equipment and/or declare that the outstanding lease payment, other amounts payable by Lessee X and the default payment shall be immediately payable by Lessee X 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 X in full or the failure of Lessee X 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 engaged in finance leasing business, leasing trading consultancy and guarantee and factoring services in the PRC. It is expected that the transactions contemplated under the Finance Lease Arrangement will enable the Group to earn an income of approximately RMB658,680 (equivalent to approximately HK\$748,330).

Given that the Finance Lease Arrangement and the transaction contemplated thereunder were in the ordinary and usual course of business of the Purchaser and agreed between the parties thereto on the normal commercial terms, the Directors are of the view that the terms of the Equipment Purchase Agreement and 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 GROUP

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

INFORMATION ABOUT THE PURCHASER, LESSEE X AND SHENZHEN ANTAI

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

Lessee X is a company established in the PRC and principally engaged in the electric light source and electronic components manufacture business. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Lessee X and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Shenzhen Antai is a company established in the PRC and principally engaged in the research, development and sales of automatic equipment and LED full-automatic chip mounter machines business. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Shenzhen Antai and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) for the transaction contemplated under the Finance Lease Arrangement exceeds 5% but less than 25%, such transaction constitutes a disclosable 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)
“Connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Equipment”	32 LED bulk moulder machines, being the subject matter of the Equipment Purchase Agreement
“Equipment Purchase Agreement”	the sale and purchase agreement dated 8 July 2019 entered into among the Purchaser, Shenzhen Antai and Lessee X in relation to the Equipment
“Exchange”	The Stock Exchange of Hong Kong Limited
“Finance Lease Agreement”	the finance lease agreement dated 8 July 2019 entered into between the Purchaser and Lessee X in relation to the finance leasing of the Equipment
“Finance Lease Arrangement”	the finance lease arrangement contemplated under the Equipment Purchase Agreement and the Finance Lease Agreement in relation to the Equipment

“GEM”	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
“Lessee X”	a company established in the PRC and principally engaged in the electric light source and electronic components manufacture business, being 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 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)

“Shenzhen Antai” a company established in the PRC and principally engaged in the research, development and sales of automatic equipment and LED full-automatic chip mounter machines business

* 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, 8 July 2019

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 RMB0.8802 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 remain on the Company’s website at www.byleasing.com.