中国金融租赁集团
CHINA FINANCIAL LEASING GROUP

INTERIM REPORT 2009

CHINA FINANCIAL LEASING GROUP LIMITED

STOCK CODE : 2312

INTERIM RESULTS

The board of Directors (the "Board") of China Financial Leasing Group Limited (the "Company") announces the unaudited condensed consolidated results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2009.

The unaudited condensed consolidated interim financial statements have not been audited by the Company's auditors but have been reviewed by the Company's Audit Committee (the "Audit Committee").

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the period ended 30 June 2009

	Notes	**Six months ended 30 June 2009 (Unaudited) HK$'000**	Six months ended 30 June 2008 (Unaudited) HK$'000
Revenue	3	**47**	428
Other operating income		**50**	1,093
Net gain /(loss) on financial assets at fair value through profit or loss		**1,125**	(32,427)
Administrative expenses		**(4,877)**	(6,516)
Loss before income tax	5	**(3,655)**	(37,422)
Income tax expense	6	**–**	–
Loss for the period		**(3,655)**	(37,422)
Other comprehensive expense for the period, net of tax		**–**	–
Total comprehensive expense attributable to the Company's equity holders		**(3,655)**	(37,422)
Loss per share attributable to equity holders of the Company during the period			(Restated)
- Basic	7	**HK1.08 cents**	HK11.1 cents
- Diluted		**N/A**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2009

	Notes	**At 30 June 2009 (Unaudited) HK$'000**	At 31 December 2008 (Audited) HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**818**	948
Other receivables		**3,054**	–
		3,872	948
Current assets			
Financial assets at fair value through profit or loss	8	**3,102**	3,706
Other receivables, deposits and prepayments		**381**	3,382
Cash and cash equivalents	9	**1,979**	4,909
		5,462	11,997
Current liabilities			
Other payables and accruals		**1,531**	1,487
Net current assets		**3,931**	10,510
Total assets less current liabilities/net assets		**7,803**	11,458
EQUITY			
Equity attributable to equity holders of the Company			
Share capital	10	**3,373**	84,336
Share premium		**11,483**	11,483
Warrants reserve		**987**	987
Accumulated losses		**(8,040)**	(85,348)
Total equity		**7,803**	11,458

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2009

	Share capital HK$'000	Share premium HK$'000	Warrants reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 January 2008 (Audited)	84,336	11,483	–	(31,139)	64,680
Loss for the period (Total comprehensive income and expense for the period)	–	–	–	(37,422)	(37,422)
At 30 June 2008 (Unaudited)	84,336	11,483	–	(68,561)	27,258

	Share capital HK$'000	**Share premium HK$'000**	**Warrants reserve HK$'000**	**Accumulated losses HK$'000**	**Total HK$'000**
At 1 January 2009 (Audited)	**84,336**	**11,483**	**987**	**(85,348)**	**11,458**
Loss for the period (Total comprehensive income and expense for the period)	**–**	**–**	**–**	**(3,655)**	**(3,655)**
Capital reduction	**(80,963)**	**–**	**–**	**80,963**	**–**
At 30 June 2009 (Unaudited)	**3,373**	**11,483**	**987**	**(8,040)**	**(7,803)**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the period ended 30 June 2009

	Six months ended 30 June 2009 (Unaudited) HK$'000	Six months ended 30 June 2008 (Unaudited) HK$'000
Net cash outflow from operating activities	**(2,903)**	(5,898)
Net cash outflow from investing activities	**(27)**	(3,446)
Net decrease in cash and cash equivalents	**(2,930)**	(9,344)
Cash and cash equivalents at beginning of period	**4,909**	23,330
Cash and cash equivalents at end of period	**1,979**	13,986
Analysis of balance of cash and cash equivalents		
Cash at banks	**1,979**	2,582
Short term bank deposits	**–**	11,404
	1,979	13,986

1. GENERAL INFORMATION

The unaudited condensed consolidated interim financial statements for the six months ended 30 June 2009 of the Group have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") and with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

These condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2008.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The unaudited condensed consolidated interim financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair values, as appropriate.

The accounting policies used in the unaudited condensed consolidated interim financial statements are consistent with those adopted in the preparation of the annual financial statements of the Group for the year ended 31 December 2008 except as described below.

In the current period, the Group has applied for the first time the following new and revised HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual financial period beginning on 1 January 2009.

HKAS 1 (Revised 2007)	Presentation of financial statements
HKFRS 1 and HKAS 27 (Amendment)	Cost of an investment in a subsidiary, jointly controlled entity or an associate
HKFRS 2 (Amendment)	Share-based payment – vesting conditions and cancellations
HKFRS 8	Operating segments
HK(IFRIC) – Int 9 and HKAS 39 (Amendments)	Embedded derivatives
Various	Annual Improvements to HKFRSs 2008

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other than as noted below, the adoption of these new and revised HKFRSs did not change the Group's accounting policies as followed in the preparation of the Group's annual financial statements for the year ended 31 December 2008.

HKAS 1 (Revised 2007) – Presentation of financial statements

The adoption of HKAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses is unchanged. However, some items that were recognized directly in equity are now recognized in other comprehensive income. HKAS 1 affects the presentation of owner changes in equity and introduces a "Statement of comprehensive income". Comparatives have been restated to conform with the revised standard.

HKAS 27 Amendment – Cost of an investment in a subsidiary

The amendment requires the investor to recognize dividends from a subsidiary, jointly controlled entity or associate in profit or loss irrespective the distributions is out of the investee's pre-acquisition or post-acquisition reserves. In prior years, the Company recognized dividends out of pre-acquisition reserves as a recovery of its investment in the subsidiaries (i.e. a reduction of the cost of investment). Only dividends out of post-acquisition reserves were recognized as income in profit or loss.

Under the new accounting policy, if the dividend distribution is excessive, the investment would be tested for impairment according to the Company's accounting policy on impairment of non-financial assets.

For the current interim period, the Company did not receive any dividends from its subsidiaries. The new accounting policy has been applied prospectively as required by the amendments to HKAS 27, and therefore no comparatives have been restated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Group has not early applied the following new and revised standards or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvement to HKFRSs issued in 2009[2]
HKFRS 2 (Amendments)	Group Cash – Settled Share-Based Payment Transactions[3]
HKFRS 3 (Revised)	Business Combinations[1]
HKFRS 5 (Amendments)	Non-current Assets Held for Sale and Discontinued Operations – Classification of Non-current assets (or disposal groups) as held for sale[1]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[1]
HK(IFRIC) – Int 18	Transfer of Assets from Customers[1]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 39 (Amendment)	Eligible Hedged Items[1]

Notes:

1. Effective for annual periods beginning on or after 1 July 2009
2. Amendments that are effective for annual periods beginning on or after 1 July 2009 or 1 January 2010, as appropriate
3. Effective for annual periods beginning on or after 1 January 2010

The adoption of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The Directors of the Company anticipate that the application of these HKFRSs will have no material impact on the results and financial position of the Group.

3. REVENUE AND TURNOVER

Revenue, which is also the Group's turnover, recognized during the period is as follows:

	Six months ended 30 June 2009 (Unaudited) HK$'000	Six months ended 30 June 2008 (Unaudited) HK$'000
Bank and other interest income	**47**	428
Revenue	**47**	428

The gross proceeds from trading of securities for the period amounted to HK$1,931,000 (2008: HK$954,000).

4. SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 January 2009. HKFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the executive directors in order to allocate resources to the segment and to assess its performance. The identification of the Group's reportable segments under HKFRS 8 is consistent with the prior years' presentation of business segments under HKAS 14 Segment Reporting.

No segment is presented as the Group is principally engaged in investment in listed and unlisted companies.

5. LOSS BEFORE INCOME TAX

	Six months ended 30 June 2009 (Unaudited) HK$'000	Six months ended 30 June 2008 (Unaudited) HK$'000
Loss before income tax is arrived at after charging:		
Operating lease charges in respect of land and buildings	**730**	433
Staff costs (excluding directors' remuneration)		
Wages	**1,171**	1,585
Retirement benefits scheme contributions	**41**	48
Depreciation	**157**	158

6. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made in the interim financial statement as there were no assessable profits for the six months ended 30 June 2009 (2008: Nil).

At 30 June 2009, the Group had unused tax losses of approximately HK$56,826,000 (31 December 2008: HK$52,147,000). Deferred tax assets have not been recognized in respect of these losses due to the unpredictability of future profit streams. Under the current tax legislation, the tax losses can be carried forward indefinitely.

At the balance sheet date, the Group did not have any significant deferred tax liabilities (31 December 2008: Nil).

7. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss for the period attributable to equity holders of the Company of HK$3,655,000 (2008: loss of HK$37,422,000) and on the weighted average number of 337,344,000 (2008: 337,344,000, as restated) ordinary shares.

No diluted loss per share has been presented because there were no dilutive potential ordinary shares in issue during both periods.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Listed equity securities, at markets value	**3,102**	3,706

Fair values of these investments have been determined by reference to their quoted bid prices at the balance sheet date. Financial assets at fair value through profit or loss are presented within the section on operating activities as a part of changes in working capital in the cash flow statement.

Changes in fair values of financial assets at fair value through profit or loss are recorded as net (loss)/gain on financial assets at fair value through profit or loss in the income statement.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following components:

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Cash at banks and in hand	**187**	816
Demand deposits	**1,792**	1,085
Short term bank deposits	**–**	3,008
	1,979	4,909

10. SHARE CAPITAL

	30 June 2009 (Unaudited) Number of shares	30 June 2009 (Unaudited) HK$'000	30 June 2008 (Unaudited) Number of shares	30 June 2008 (Unaudited) HK$'000
Authorised:				
At 1 January 2009, ordinary shares of HK$0.25 each (2008: ordinary shares of HK$0.05 each)	**1,200,000,000**	**300,000**	6,000,000,000	300,000
Share subdivision of 1 ordinary share of HK$0.25 each into 25 ordinary shares of HK$0.01 each	**28,800,000,000**	**–**	–	–
At 30 June 2009, ordinary shares of HK$0.01 each (2008: ordinary shares of HK$0.05 each)	**30,000,000,000**	**300,000**	6,000,000,000	300,000
Issued and fully paid:				
At 1 January 2009, ordinary shares of HK$0.25 each (2008: ordinary shares of HK$0.05 each)	**337,344,000**	**84,336**	1,686,720,000	84,336
Capital reduction of 1 ordinary share of HK$0.25 each to 1 ordinary share of HK$0.01	**–**	**(80,963)**	–	–
At 30 June 2009, ordinary shares of HK$0.01 each (2008: ordinary shares of HK$0.05 each)	**337,344,000**	**3,373**	1,686,720,000	84,336

Pursuant to a special resolution passed on 18 December 2008, the shareholders of the Company approved the proposed capital reduction by reducing the par value of each issued share of the Company from HK$0.25 to HK$0.01 by cancelling the paid-up capital to the extent of HK$0.24 on each share in issue, the purpose was to cancel the accumulated losses of the Company and the balance will be transferred to the distributable reserve of the Company. This proposed capital reduction is subject to the approval from the Grand Court of the Cayman Islands. On 27 March 2009, the Grand Court of the Cayman Islands granted the order to confirming the capital reduction of the Company and the capital reduction become effective on 30 March 2009, Cayman Islands time.

11. COMMITMENTS

Operating lease commitments

	30 June 2009 (Unaudited) HK$'000	31 December 2008 (Audited) HK$'000
Within one year	**1,019**	1,120
In the second to fifth years inclusive	**–**	310
	1,019	1,430

The Group leases certain of its office properties under operating leases. The leases run for an initial period of one to two years, with an option to renew the lease terms at the expiry date or at dates as mutually agreed between the Group and the landlords / lessors. The leases do not include contingent rentals.

12. CONTINGENT LIABILITIES

At the balance sheet date, the Group had no significant contingent liabilities.

13. RELATED PARTY TRANSACTIONS

(a) During the period, in addition to those disclosed elsewhere in these interim financial statements, the Group had the following significant related party transactions:

	Notes	Six months ended 30 June 2009 (Unaudited) HK$'000	Six months ended 30 June 2008 (Unaudited) HK$'000
Investment management fee paid/payable to Wealth Assets Management Limited	(i)	**330**	150
Rental and property management expenses paid to Global Strategy Group Limited	(ii)	**151**	52

13. RELATED PARTY TRANSACTIONS (Continued)

Notes:

(i) Pursuant to the investment management agreement dated 7 October 2002 (the "Investment Management Agreement") entered into between the Company and Wealth Assets Management Limited (formerly Known as "Redford Assets Management Limited") (the "Investment Manager"), the Investment Manager has agreed to provide the Company with investment management services (excluding general administrative services) for a three-year period commencing on 28 October 2002 , the date of the commencement of the trading of the Company's shares on the Stock Exchange. The Investment Management Agreement will continue for successive periods of three years, unless terminated at any time by either the Company or the Investment Manager serving not less than six month's notice in writing to the other party, and will expire on the last day of the three-year period or any of the relevant successive periods.

With effect from 1 January 2009, the monthly management fee of the Investment Manager had been changed to a fixed sum of HK$55,000 per month.

Mr. Chan Chi Hung, an executive director of the Company, has equity interests in the Investment Manager and is one of the director of the Investment Manager.

(ii) During the period, rental and property management expenses amounting to HK$150,000 (2008 : HK$52,000) for office premises at Room 2609, Great Eagle Centre, 23 Harbour Road, Wan Chai, Hong Kong, was paid to Global Strategy Group Limited. Mr. Choy Kwok Hung, Patrick, an Executive Director of the Company, is also a substantial shareholder of Global Strategy Group Limited. This rental and property management expense was made with reference to the terms negotiated between the relevant parties.

(b) Included in employee benefit expenses and director's remuneration are key management personnel compensation and comprises the following categories:

	30 June 2009 (Unaudited) HK$'000	30 June 2008 (Unaudited) HK$'000
Short term employee benefits	**130**	755
Contributions to defined contribution plans	**2**	6
	132	761

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Results

For the six months ended 30 June 2009, the Group recorded a net loss of approximately HK$3,655,000 compared to a net loss of HK$37,422,000 of last corresponding period, representing a decrease of HK$33,767,000. This was mainly due to a conservative investment strategy adopted by the Company which resulted in a decreasing of net loss. The net asset value of the Group was approximately HK$7,803,000 as at 30 June 2009 (31 December 2008: HK$11,458,000).

Operating Review

As detailed in the 2008 annual report, in view of the financial tsunami, the Group decided to keep a highly cautious attitude in dealing with uncertainties and risks in our leasing exposure. To achieve a better control of risk exposure, we shifted our investment strategy from investing in convertible notes with a high variation co-efficient (risk/return) to investing in debt-financing with a steady yield. We also strived to amend the terms of our investments so as to make the terms become more conservative. In the first half of the year, the overall financial investment environment recovered which was favorable to our equity investments. As at 30 June 2009, the aggregate fair value of the Group's investments was HK$3,102,000 (31 December 2008: HK$3,706,000) which represented mainly listed securities.

The Group recorded revenue of HK$47,000 for the six months ended 30 June 2009 (2008: HK$428,000). Fair value gain on financial assets for the period was HK$1,125,000 (2008: a loss of HK$32,427,000) which was mainly contributable by the fair value gain of the equity securities as mentioned above.

Liquidity, Financial Resources and Funding

As at 30 June 2009, the Group maintained cash and cash equivalents of approximately HK$1,979,000 (31 December 2008: HK$4,909,000) which were mainly denominated in Hong Kong and Australian dollars. The Group will monitor the exposure and take prudent measures when necessary. The Group had net assets of HK$7,803,000 (31 December 2008: HK$11,458,000) and there were no borrowings or long-term liabilities as at 30 June 2009.

Capital Structure

Pursuant to a special resolution passed on 18 December 2008, the shareholders of the Company approved the proposed capital reduction by reducing the par value of each issued share of the Company from HK$0.25 to HK$0.01 by cancelling the paid-up capital to the extent of HK$0.24 on each share in issue. The purpose was to cancel the accumulated losses of the Company and the balance will be transferred to the distributable reserve of the Company. This proposed capital reduction is subject to the approval from the Grand Court of the Cayman Islands. On 27 March 2009, the Grand Court of the Cayman Islands granted the order to confirming the capital reduction of the Company and the capital reduction become effective on 30 March 2009, Cayman Islands time.

As stated in the announcements dated 15 and 30 June 2009, the Board announced that the Group proposed to issue convertible notes in the aggregate principal amount of up to HK$41.25 million by not more than 4 tranches during a six-month period, with the principal amount of each tranche being not less than HK$5 million. Subject to adjustments, the conversion price per conversion share shall be HK$0.0275 or an amount equivalent to 110% of the latest net asset value per share as announced by the Company from time to time, whichever is the higher. The convertible notes shall bear interest at the rate of 2% per annum, which will be payable before maturity. The convertible notes shall mature on the date falling the third anniversary of its issuance. The proposal has been approved by the shareholders at the extraordinary general meeting of the Company held on 25 August 2009. As at 30 June 2009 and the date of these condensed interim financial statements, no convertible notes has been issued by the Company.

Material Acquisitions and Disposals of Subsidiaries

The Group has not made any material acquisition or disposal of subsidiaries during the period.

Employees

As at 30 June 2009, the Group had 10 employees, including 2 executive Directors. Total salary and housing cost for the period ended 30 June 2009 was HK$1,171,000 and Directors' fees were HK$527,500. The remuneration policy of the Group is reviewed annually and is in line with the prevailing market practice.

During the period, no share options were granted to any directors or employees of the Group under the Company's share option scheme adopted on 7 October 2002.

Charge on Group Assets

During the period, there were no charges on the Group's assets.

Contingent Liabilities

As at 30 June 2009, no contingent liabilities were noted by the Directors.

Significant Investments

The Group is refocusing its investment strategies to direct investment in financial leasing investment opportunities in the People's Republic of China (the"PRC"), and a possible transaction with an aircraft engine leasing company in the PRC, which had been announced in September 2007 and November 2007 respectively.

BUSINESS REVIEW AND FUTURE PROSPECTS

In the last six months, the Group focused on clearing up its remaining investments in listed securities. Due to the overall improvement in the equity and financial markets, our performance was satisfactory and recorded a total gain of approximately HK$1.1 million (2008: a loss of HK$32 million).

Last year, the Board had reviewed the investment strategy of the Company and had decided that the Company would focus on the lease financing market in the PRC. With law and regulations governing lease financing in the PRC becoming more comprehensive, the Board believes that investing in this market can generate greater returns to our shareholders. The Board will continue to identify investment opportunities in the lease financing market in the PRC.

DIRECTORS' INTERESTS IN SHARES

At 30 June 2009, the interest or short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), to be notified to the Company and the Stock Exchange are set out below:

Interests in the shares, underlying shares and debentures of the Company

Name of Director	Type of interest	Long position/ short position	Number of ordinary shares held	Percentage of the Company's issued share capital
Mr. Chan Chi Hung	Beneficial interest	Long position	199,000	0.06%

Save as disclosed above, as at 30 June 2009, none of the Directors and chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company which were recorded on the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2009, the interests or short positions of every person, other than a Director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, are set out below:

Interests in the shares and underlying shares of the Company

Name of shareholder	Type of interest	Long position/ short position	Number of ordinary shares held	Percentage of the Company's issued share capital
Mr. Guan Liang	Beneficial owner	Long position	25,000,000	7.4%

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 30 June 2009.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the "SO Scheme") on 7 October 2002 (the "Adoption Date") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the SO Scheme include any persons being employees, officers, agents, consultants or representatives of the Group. The SO Scheme became unconditional on 28 October 2002 upon the listing of the Company's shares on the Stock Exchange and, unless otherwise cancelled or amended, will remain in force for 10 years from the Adoption Date.

During the six months ended 30 June 2009, no share option has been granted, and as at 30 June 2009, the Company has no outstanding options.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2009.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, all Directors confirmed that they have complied with the required standard as set out in the Model Code during the six months ended 30 June 2009.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has adopted the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 to the Listing Rules which came into effect on 1 January 2005, as its own code of corporate governance practices.

In the opinion of the Directors, the Company has met the code provisions set out in the CG Code during the six months ended 30 June 2009.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors of the Company, Mr. Yue Man Yiu, Matthew (as Chairman), Mr. Chung Koon Yan and Mr. Chung Shu Kun, Christopher and was established in accordance with the requirements of the CG Code of reviewing and providing supervision over the Group's financial reporting process and internal controls. The unaudited interim financial statements of the Group for the six months ended 30 June 2009 have been reviewed by the Audit Committee.

On behalf of the Board
China Financial Leasing Group Limited
Tse Kam Fai
Company Secretary

Hong Kong, 23 September 2009

As at the date of this report, the Board comprises Mr. Choy Kwok Hung, Patrick (Chairman) and Mr. Chan Chi Hung (Acting Chief Executive Officer) as executive Directors, and Mr. Yue Man Yiu, Matthew, Mr. Chung Koon Yan and Mr. Chung Shu Kun, Christopher as independent non-executive Directors.