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CHINA FINANCIAL LEASING GROUP LIMITED

中國金融租賃集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2312)

MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION

This announcement is made by China Financial Leasing Group Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited 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).

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 24 April 2019 (after trading hours), China Financial Leasing Investments Limited (the “**Purchaser**”), a wholly-owned subsidiary of the Company, as potential purchaser, entered into a non-legally binding memorandum of understanding (the “**MOU**”) with potential vendors (the “**Potential Vendors**”). Pursuant to the MOU, the Purchaser intends to acquire, and the Potential Vendors intend to dispose of, part of the issued share capital in 上海天御科技集團股份有限公司 (the “**Target Company**”) (the “**Proposed Acquisition**”). As at the date of the MOU, the Potential Vendors hold 13.52% of the issued share capital of the Target Company. The Target Company is a company incorporated in the People’s Republic of China (the “**PRC**”). The Target Company is principally engaged in operating in intelligent agricultural cold chain industry in the PRC.

* For identification purpose only

Principal Terms of the MOU

Date

24 April 2019 (after trading hours).

Parties

- (i) The Purchaser; and
- (ii) the Potential Vendors.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Mr. Lin Dailian ("**Mr. Lin**") is an authorised representative, chairman of the board of directors, general manager and controlling shareholder of Target Company. As at the date of this announcement, Talent Capital Holding Group Co., Limited ("**Talent Capital**"), the substantial shareholder (as defined under the Listing Rules) of the Company, who held 350,000,000 shares of the Company (approximately 21.78% of the issued share capital of the Company), is wholly owned by Mr. Lin. Hence, under the Securities and Futures Ordinance, Mr. Lin is deemed to be a substantial shareholder and connected person (as defined under the Listing Rules) of the Company.

Consideration

The consideration for the Proposed Acquisition and the manner of payment shall be further negotiated between the Purchaser and the Potential Vendors and be determined in the Formal Agreement (as defined below).

Exclusivity

During the period from the date of the MOU to 31 July 2019 (the "**Exclusivity Period**"), the Potential Vendors will, in good faith, negotiate with the Purchaser exclusively on the Proposed Acquisition and will not (whether directly or indirectly through affiliate, agent or representative) discuss, negotiate and/or enter into any agreement, arrangement or understanding with any other party with respect to the disposal of the Target Company or any of its business.

Due diligence review

Pursuant to the MOU, the Purchaser may conduct due diligence review on the business, financial and legal affairs of the Target Company upon signing of the MOU. The Potential Vendors shall use their best endeavours to procure the Target Company and its agent to provide such assistance and information as is necessary for the Purchaser to complete its due diligence review on the Target Company.

Formal Agreement

The Purchaser and the Potential Vendors shall use their best endeavours to procure a legally binding formal agreement in relation to the Proposed Acquisition (“**Formal Agreement**”) within the Exclusivity Period.

Termination

The MOU will be terminated at the earlier of:

- (i) the expiry of the Exclusivity Period; or
- (ii) the date of execution of the Formal Agreement.

Binding effect

Save for the provisions relating to the exclusivity, due diligence review, confidentiality, termination, notices, binding effect, governing law and jurisdiction, the MOU does not constitute a legally binding agreement on the parties to the MOU.

REASON FOR AND BENEFIT OF THE PROPOSED ACQUISITION

In order to maximise return to the Company and the shareholders of the Company, the Directors consider that it is in the interests of the Company and its shareholders as a whole to enter into the MOU to explore the possibility of diversification of the investment portfolios of the Group.

GENERAL

As at the date of this announcement, the terms and conditions of the Proposed Acquisition are still being negotiated and no legally binding agreement has been entered into. The Proposed Acquisition, if materialised, may constitute a notifiable transaction or connected transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company as and when appropriate in compliance with the Listing Rules.

As the Proposed Acquisition may or may not proceed, shareholders and investors are reminded to exercise caution when dealing in the shares.

By Order of the Board
CHINA FINANCIAL LEASING GROUP LIMITED
Wong Ka Shing
Company Secretary

Hong Kong, 24 April 2019

As at the date of this announcement, the board of Directors of the Company comprises Mr. Chan Chi Hang as executive Director, Mr. Yip Ming, Mr. Tsang Chung Sing Edward, Mr. Zhang Bin and Mr. Wang Ruiyang as independent non-executive Directors.