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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)

CANCELLATION OF SHARE OPTIONS AND GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to the announcements of China Financial Leasing Group Limited (the “**Company**”) dated 12 July 2016 in relation to, among other things, the grant of an aggregate of 34,300,000 share options (the “**Existing Options**”), each entitling the holder thereof to subscribe for ordinary share(s) of par value HK\$0.02 each of the Company (the “**Share(s)**”) to certain of its Eligible Persons (as defined in the rules of the share option scheme approved and adopted by the Company pursuant to an ordinary resolution passed by the shareholders of the Company on 12 January 2012 (the “**Scheme**”)) (the “**Grantees**”) of the Company.

CANCELLATION OF SHARE OPTIONS AND GRANT OF SHARE OPTIONS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has on 5 September 2017 resolved to cancel the Existing Options, subject to the written consent of the Grantees to cancel their respective Existing Options. All the Existing Options have not been exercised or lapsed since they were granted.

* *For identification purpose only*

The Board has further resolved on 5 September 2017 to grant a total of 52,700,000 share options (the “**New Options**”) to certain Grantees to subscribe for an aggregate of 52,700,000 Shares, part of them are served as replacement share options to the cancelled Existing Options, subject to the acceptances of the Grantees, in accordance with the Scheme.

The following are principal terms of the New Options granted:

Date of grant	:	5 September 2017 (the “ Date of Grant ”)
Exercise price of New Options granted	:	HK\$0.15 per Share, which represents the highest of (i) the closing price of HK\$0.142 per Share as stated in the daily quotations sheet of the Stock Exchange on 5 September 2017, being the Date of Grant; and (ii) the average closing price of HK\$0.141 per Share as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the Date of Grant
Number of New Options granted	:	52,700,000 (each New Options shall entitle the holder thereof to subscribe for one Share)
Closing price of the Shares on the Date of Grant	:	HK\$0.142 per Share
Validity period of the New Options	:	5 September 2017 to 4 September 2020 (all the New Options granted have no vesting period or vesting condition)

Among the New Options granted above, a total of 8,800,000 New Options were granted to a Director of the Company, details of which are as follows:

Name of Grantee	Position	Number of New Options
Mr. Jim Ka Shun	Executive Director	8,800,000

The grant of New Options to a Director had been approved by the independent non-executive Directors. This Director had abstained from voting on the resolution relating to the New Options granted to himself and his respective associates (as defined in the Listing Rules).

REASONS FOR THE CANCELLATION OF SHARE OPTIONS AND GRANT OF SHARE OPTIONS

As of the date of this announcement, there are 34,300,000 Existing Options, of which 34,300,000 Existing Options are exercisable at the exercise price of HK\$0.4 per Share.

In view of the fact that the recent performance of the Share price, the exercise prices of the Existing Options are higher than the recent market prices of the Shares, the Board considers that the Existing Options can no longer serve the purpose to motivate the Grantees to continuously work to the benefit of the Company and its subsidiaries (collectively the “**Group**”) and to provide incentives or rewards to the Grantees for their contribution to the Group, as a result of which the good intention of the Board to grant such options to encourage them to remain in the service and/or employment of the Group and devote their best efforts to the Group is thereby defeated.

In the circumstances, the Board resolved to cancel the Existing Options and to grant the New Options to the Grantees in order to better retain talents and to adjust the exercise price in order to provide incentives or rewards to the Grantees for their contribution to the Group to boost the morale of the Grantees.

By order of the Board of
China Financial Leasing Group Limited
Wong Ka Shing
Company Secretary

Hong Kong, 5 September 2017

As at the date of this announcement, the Board of Directors of the Company comprises Mr. Jim Ka Shun as executive Director, Mr. Yip Ming, Mr. Lau Siu Hang and Mr. Tsang Chung Sing Edward as independent non-executive Directors.