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LOONGLING CAPITAL LTD
(Incorporated in the British Virgin Islands with limited liability)

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)

JOINT ANNOUNCEMENT

(I) CONDITIONAL AGREEMENTS IN RELATION TO THE SALE AND PURCHASE OF SHARES IN CHINA FINANCIAL LEASING GROUP LIMITED (II) MANDATORY CONDITIONAL CASH OFFER BY



**ON BEHALF OF LOONGLING CAPITAL LTD TO ACQUIRE
ALL THE ISSUED SHARES IN CHINA FINANCIAL LEASING
GROUP LIMITED (OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED BY LOONGLING CAPITAL LTD AND
PARTIES ACTING IN CONCERT WITH IT);**

**(III) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER
AND**

(IV) RESUMPTION OF TRADING

Financial adviser to the Offeror



Financial adviser to the Company



Independent Financial Adviser to the Independent Board Committee



INCU Corporate Finance Limited

THE SP AGREEMENTS

The Board was informed by the Offeror that on 13 June 2025, Vendor A and the Offeror entered into the SP Agreement A, pursuant to which Vendor A has conditionally agreed to sell and the Offeror has conditionally agreed to purchase the Sale Shares A (being all the Shares held by Vendor A immediately before Completion), being 95,706,441 Shares representing approximately 27.59% of the total number of Shares in issue as at the date of this joint announcement, at a total cash consideration of HK\$36,368,447.58 (equivalent to HK\$0.38 per Sale Share A).

* For identification purpose only

The Board was further informed by the Offeror that on 18 June 2025, Vendor B and the Offeror entered into the SP Agreement B, pursuant to which Vendor B has conditionally agreed to sell and the Offeror has conditionally agreed to purchase the Sale Shares B (being all the Shares held by Vendor B immediately before Completion), being 25,556,574 Shares representing approximately 7.37% of the total number of Shares in issue as at the date of this joint announcement, at a total cash consideration of HK\$9,711,498.12 (equivalent to HK\$0.38 per Sale Share B).

Following the conditions precedent under the SP Agreements having been satisfied in full, Completion took place on 24 June 2025 whereupon the Offeror became interested in approximately 34.96% of the Company.

The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory conditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

THE OFFER

Kingston Securities, on behalf of the Offeror, will make the Offer on the terms to be set out in the Composite Document on the following basis:

For each Offer Share HK\$0.38 in cash

The Offer Price per Offer Share is the same as the purchase price per Sale Share of HK\$0.38 paid by the Offeror to the Vendors under the SP Agreements.

Principal terms of the Offer are set out in the section headed “The Offer” below.

The Offer will be conditional upon valid acceptances of the Offer having been received (and where permitted, not withdrawn) on or before 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer Shares, which together with the Shares already held by the Offeror and the parties acting in concert with it, would result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company as at the Closing Date. This Condition cannot be waived. If the Condition is not fulfilled by the Closing Date, the Offer will lapse in accordance with the Takeovers Code. The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfilment of the Condition in accordance with the Takeovers Code and the Listing Rules.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Offeror will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that sufficient public float exists in the Shares after the close of the Offer.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Hui Yat On, Mr. Chan Pak Lam, Tom, Dr. Lau Kin Shing, Charles and Ms. Liu Min, has been established in accordance with Rules 2.1 and Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Offer Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Octal Capital has been appointed as financial adviser to the Company in respect of the Offer.

INCUB has been appointed by the Company, with approval of the Independent Board Committee, as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and as to its acceptance.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the Company's board circular in the Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Offer; (ii) the recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer; and (iv) the relevant form(s) of acceptance, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may consent to. Further announcement(s) will be made when the Composite Document is despatched.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 10:52 a.m. on 12 June 2025 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 25 June 2025.

WARNING

Shareholders and potential investors of the Company should note that the making of the Offer is subject to the fulfilment of the Condition. And, the Offer, when made, may or may not become or be declared unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

INTRODUCTION

The Board was informed by the Offeror that on 13 June 2025, Vendor A and the Offeror entered into the SP Agreement A, pursuant to which Vendor A has conditionally agreed to sell and the Offeror has conditionally agreed to purchase the Sale Shares A (being all the Shares held by Vendor A immediately before Completion), being 95,706,441 Shares representing approximately 27.59% of the total number of Shares in issue as at the date of this joint announcement, at a total cash consideration of HK\$36,368,447.58 (equivalent to HK\$0.38 per Sale Share A).

The Board was further informed by the Offeror that on 18 June 2025, Vendor B and the Offeror entered into the SP Agreement B, pursuant to which Vendor B has conditionally agreed to sell and the Offeror has conditionally agreed to purchase the Sale Shares B (being all the Shares held by Vendor B immediately before Completion), being 25,556,574 Shares representing approximately 7.37% of the total number of Shares in issue as at the date of this joint announcement, at a total cash consideration of HK\$9,711,498.12 (equivalent to HK\$0.38 per Sale Share B).

Following the conditions precedent under the SP Agreements having been satisfied in full, Completion took place on 24 June 2025 whereupon the Offeror became interested in approximately 34.96% of the Company.

The Offeror is therefore required under Rule 26.1 of the Takeovers Code to make a mandatory conditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

THE SP AGREEMENTS

The SP Agreement A

Date: 13 June 2025

Parties: Vendor A: Mr. Lam Shu Chung

Purchaser: Longling Capital Ltd

The Offeror, its ultimate beneficial owner and parties acting in concert with any of them are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Sale Shares A

The Sale Shares A comprise 95,706,441 Shares, representing approximately 27.59% of the total number of Shares in issue as at the date of this joint announcement. Pursuant to the terms of the SP Agreement A, the Sale Shares A were acquired by the Offeror free from all Encumbrances and together with all rights and benefits attaching and accrued to them as at the Completion Date.

Consideration for the Sale Shares A

The total consideration for the Sale Shares A under the SP Agreement A is HK\$36,368,447.58, representing HK\$0.38 per Sale Share A, which was agreed between Vendor A and the Offeror after arm's length negotiations, taking into account (i) the historical financial performance of the Group; (ii) the unaudited net asset value per Share of HK\$0.22 as at 31 May 2025; (iii) the recent market price of the Shares before suspension of trading in the Shares on 12 June 2025; and (iv) the current market condition.

At Completion, the Offeror settled the consideration for the Sale Shares A by cash, which was funded by the Offeror with its own internal resources.

Conditions precedent to Completion

Completion is subject to the following conditions being fulfilled or (where applicable) waived in full:

- (1) all necessary consents, approvals, waivers and authorisations by the relevant government authorities, regulatory authorities and any third parties having been obtained by Vendor A in connection with the sale and purchase of the Share Sales A and the execution and performance by him of the SP Agreement A;
- (2) all necessary consents, approvals, waivers and authorisations by the relevant government authorities, regulatory authorities and any third parties having been obtained by the Offeror in connection with the sale and purchase of the Sale Shares A and the execution and performance by it of the SP Agreement A;
- (3) no material adverse change (or effect) in relation to the financial conditions, business, prospects or operational results of the Group as a whole having occurred;
- (4) Vendor A not having materially breached any terms of the SP Agreement A (including but not limited to undertakings);
- (5) the Offeror not having materially breached any terms of the SP Agreement A;
- (6) the warranties provided by Vendor A under the SP Agreement A being true and accurate and not misleading in all respects; and
- (7) the warranties provided by the Offeror under the SP Agreement A being true and accurate and not misleading in all respects.

The Directors were informed by Vendor A that as far as Vendor A is aware, no such consents, approvals, waivers and authorisations as referred to in the condition set out in paragraph (1) above is required.

As far as the Offeror is aware, no such consents, approvals, waivers and authorisations as referred to in the condition set out in paragraph (2) above is required.

Save for the condition set out in paragraph (1) above, the Offeror may at any time waive any of the conditions by notice in writing to Vendor A. Vendor A may at any time waive the conditions set out in paragraphs (5) and (7) above by notice in writing to the Offeror. Save as aforesaid, no party to the SP Agreement A may waive any of the conditions.

If the conditions are not satisfied or (where applicable) waived in full on or before the fourteenth day (being 27 June 2025) after the date on which the SP Agreement A was signed (or such date as may be agreed by Vendor A and the Offeror in writing), the SP Agreement A shall automatically terminate without liability to any parties thereto, save (i) that the surviving provisions specified in the SP Agreement A shall continue in full force; and (ii) for any antecedent breaches. As at the Completion Date, all of the conditions above had been fulfilled.

Completion

Following the conditions precedent under the SP Agreement A as set out in the paragraph headed “The SP Agreements – The SP Agreement A – Conditions precedent to Completion” above having been satisfied in full, Completion took place on 24 June 2025.

The SP Agreement B

Date: 18 June 2025

Parties: Vendor B: Like Capital Limited

Purchaser: Longling Capital Ltd

Vendor B is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Capital VC Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange (stock code: 2324). According to the interim report of Capital VC Limited for the six months ended 31 March 2025 and the latest public records available on the website of the Stock Exchange on substantial shareholders of Capital VC Limited as notified pursuant to Part XV of the SFO, there is no controlling shareholder of Capital VC Limited as at the date of this joint announcement.

The Offeror, its ultimate beneficial owner and parties acting in concert with any of them are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Sale Shares B

The Sale Shares B comprise 25,556,574 Shares, representing approximately 7.37% of the total number of Shares in issue as at the date of this joint announcement. Pursuant to the terms of the SP Agreement B, the Sale Shares B were acquired by the Offeror free from all Encumbrances and together with all rights and benefits attaching and accrued to them as at the Completion Date.

Consideration for the Sale Shares B

The total consideration for the Sale Shares B under the SP Agreement B is HK\$9,711,498.12, representing HK\$0.38 per Sale Share B, which was agreed between Vendor B and the Offeror after arm's length negotiations, taking into account (i) the historical financial performance of the Group; (ii) the unaudited net asset value per Share of HK\$0.22 as at 31 May 2025; (iii) the recent market price of the Shares before suspension of trading in the Shares on 12 June 2025; and (iv) the current market condition.

At Completion, the Offeror settled the consideration for the Sale Shares B by cash, which was funded by the Offeror with its own internal resources.

Conditions precedent to Completion

Completion is subject to the following conditions being fulfilled or (where applicable) waived in full:

- (1) all necessary consents, approvals, waivers and authorisations by the relevant government authorities, regulatory authorities and any third parties having been obtained by Vendor B in connection with the sale and purchase of the Share Sales B and the execution and performance by it of the SP Agreement B;
- (2) all necessary consents, approvals, waivers and authorisations by the relevant government authorities, regulatory authorities and any third parties having been obtained by the Offeror in connection with the sale and purchase of the Sale Shares B and the execution and performance by it of the SP Agreement B;
- (3) no material adverse change (or effect) in relation to the financial conditions, business, prospects or operational results of the Group as a whole having occurred;
- (4) Vendor B not having materially breached any terms of the SP Agreement B (including but not limited to undertakings);
- (5) the Offeror not having materially breached any terms of the SP Agreement B;
- (6) the warranties provided by Vendor B under the SP Agreement B being true and accurate and not misleading in all respects; and
- (7) the warranties provided by the Offeror under the SP Agreement B being true and accurate and not misleading in all respects.

The Directors were informed by Vendor B that as far as Vendor B is aware, no such consents, approvals, waivers and authorisations as referred to in the condition set out in paragraph (1) above is required. No approval from the shareholders of Capital VC Limited is required for satisfying the condition set out in paragraph (1) above.

As far as the Offeror is aware, no such consents, approvals, waivers and authorisations as referred to in the condition set out in paragraph (2) above is required.

Save for the condition set out in paragraph (1) above, the Offeror may at any time waive any of the conditions by notice in writing to Vendor B. Vendor B may at any time waive the conditions set out in paragraphs (5) and (7) above by notice in writing to the Offeror. Save as aforesaid, no party to the SP Agreement B may waive any of the conditions.

If the conditions are not satisfied or (where applicable) waived in full on or before the fourteenth day (being 2 July 2025) after the date on which the SP Agreement B was signed (or such date as may be agreed by Vendor B and the Offeror in writing), the SP Agreement B shall automatically terminate without liability to any parties thereto, save (i) that the surviving provisions specified in the SP Agreement B shall continue in full force; and (ii) for any antecedent breaches. As at the Completion Date, all of the conditions above had been fulfilled.

Completion

Following the conditions precedent under the SP Agreement B as set out in the paragraph headed “The SP Agreements – The SP Agreement B – Conditions precedent to Completion” above having been satisfied in full, Completion took place on 24 June 2025.

THE OFFER

Kingston Securities, on behalf of the Offeror, will make the Offer on the terms to be set out in the Composite Document on the following basis:

For each Offer Share HK\$0.38 in cash

The Offer Price per Offer Share is the same as the purchase price per Sale Share of HK\$0.38 paid by the Offeror to the Vendors under the SP Agreements.

As at the date of this joint announcement, the Company has 346,897,482 Shares in issue and the Company does not have any outstanding options, warrants, derivatives or other securities which are convertible or exchangeable into Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) and has not entered into any agreement for the issue of such options, warrants, derivatives or other relevant securities which are convertible or exchangeable into Shares.

Assuming that there is no change in the total number of Shares in issue and based on the Offer Price of HK\$0.38 per Offer Share, 225,634,467 Shares will be subject to the Offer and the Offer is valued at HK\$85,741,097.46.

The Company confirms that as at the date of this joint announcement, (i) it has not declared any dividend which is not yet paid; and (ii) it does not have any intention to declare or pay any future dividend or make other distributions prior to and including the date of closing or lapse of the Offer. If, after the date of this joint announcement, any dividend or other distribution is made or paid in respect of the Offer Shares, the Offeror reserves the right to reduce the Offer Price by an amount equal to the net amount of such dividend or other distribution.

The Offer will be subject to the satisfaction of the Condition as set out in the section headed “Condition of the Offer” below.

Comparison of value

The Offer Price of HK\$0.38 per Offer Share represents:

- (a) a premium of approximately 13.43% over the closing price of HK\$0.335 per Share quoted on the Stock Exchange on 12 June 2025, being the Last Trading Day;
- (b) a premium of approximately 127.54% over the average closing price of approximately HK\$0.167 per Share quoted on the Stock Exchange for the 5 consecutive trading days immediately prior to and including the Last Trading Day;
- (c) a premium of approximately 155.03% over the average closing price of approximately HK\$0.149 per Share quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (d) a premium of approximately 239.29% over the average closing price of approximately HK\$0.112 per Share quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (e) a premium of approximately 268.93% over the average closing price of approximately HK\$0.103 per Share quoted on the Stock Exchange for the 60 consecutive trading days immediately prior to and including the Last Trading Day;
- (f) a premium of approximately 69.64% over the audited consolidated net assets attributable to owners of the Company per Share of approximately HK\$0.224 as at 31 December 2024, calculated based on the Group’s audited consolidated net assets attributable to owners of the Company of approximately HK\$77,639,000 as at 31 December 2024 and 346,897,482 Shares in issue as at the date of this joint announcement; and
- (g) a premium of approximately 72.72% over the unaudited net asset value per Share of approximately HK\$0.22 as at 31 May 2025 as disclosed in the Company’s announcement dated 13 June 2025 as required under the Listing Rules, calculated based on the Group’s unaudited consolidated net assets attributable to owners of the Company of approximately HK\$75,567,000 and 346,897,482 Shares in issue as at 31 May 2025.

Highest and lowest Share prices

During the six-month period immediately preceding the commencement of the Offer Period (i.e. 24 December 2024) up to (and including) the Last Trading Day:

- (a) the highest closing price of the Shares quoted on the Stock Exchange was HK\$0.335 per Share on the Last Trading Day (i.e. 12 June 2025); and
- (b) the lowest closing price of the Shares quoted on the Stock Exchange was HK\$0.084 per Share on 16 May 2025, 19 May 2025, 20 May 2025 and 21 May 2025.

Financial resources available to the Offeror

The total amount of cash payable by the Offeror in respect of the SP Agreements is HK\$46,079,945.70. The Offeror financed the consideration payable under the SP Agreements with its internal resources.

The maximum amount of cash payable by the Offeror in respect of full acceptances of the Offer is HK\$85,741,097.46, assuming there is no change in the total number of Shares in issue from the date of this joint announcement up to the close of the Offer. The Offeror intends to finance the consideration payable under the Offer with its internal resources.

Kingston CF, the financial adviser to the Offeror in respect of the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy the consideration payable upon full acceptances of the Offer.

Condition of the Offer

The Offer will be conditional upon valid acceptances of the Offer having been received (and where permitted, not withdrawn) on or before 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the Takeovers Code, decide) in respect of the Offer Shares, which together with the Shares already held by the Offeror and the parties acting in concert with it, would result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company as at the Closing Date. This Condition cannot be waived.

If the Condition is not fulfilled by the Closing Date, the Offer will lapse in accordance with the Takeovers Code. The Offeror will issue an announcement in relation to the revision, extension or lapse of the Offer or the fulfilment of the Condition in accordance with the Takeovers Code and the Listing Rules.

The Offeror reserves the right to revise the terms of the Offer in accordance with the Takeovers Code.

Closing of the Offer

In accordance with Rule 15.1 of the Takeovers Code, the Closing Date will fall on or after the 21st day from the date of the Composite Document. Where the Offer becomes or is declared unconditional (whether as to acceptances or in all respects), it shall remain open for acceptance for not less than 14 days thereafter, provided that the Offer shall initially be open for acceptance for at least 21 days. The Offer Shareholders are reminded that the Offeror does not have any obligations to keep the Offer open for acceptance beyond this minimum 14-day period.

The latest time on which the Offeror may declare the Offer unconditional as to acceptances is 7:00 p.m. on the 60th day after the posting of the initial offer document (or such later date to which the Executive may consent). In accordance with Rule 15.3 of the Takeovers Code, the Offeror must publish an announcement when the Offer becomes unconditional as to acceptances and when the Offer becomes unconditional in all respects.

Effect of accepting the Offer

Acceptance of the Offer by any Shareholder will be deemed to constitute a warranty by such person that all Offer Shares sold by such person under the Offer are free from all Encumbrances and are sold together with all rights attaching to them, including all rights to any dividend or other distribution, the record date of which falls on or after the date on which the Offer is made, being the date of the Composite Document.

Acceptance of the Offer will be irrevocable and will not be capable of being withdrawn, except as permitted under the Takeovers Code.

Settlement of consideration

Subject to the Offer having become, or having been declared, unconditional in all respects, payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event no later than 7 Business Days after the later of: (i) the date on which the Offer becomes, or is declared, unconditional; and (ii) the date of receipt of a duly completed acceptance of the Offer. Relevant documents evidencing title of the Offer Shares must be received by or on behalf of the Offeror (or the branch share registrar and transfer office of the Company in Hong Kong) to render each such acceptance of the Offer complete and valid pursuant to Rule 20.1 and Note 1 to Rule 30.2 of the Takeovers Code.

No fractions of a cent will be payable and the amount of cash consideration payable to any person who accepts the Offer will be rounded up to the nearest cent.

Stamp Duty

Seller's ad valorem stamp duty at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, will be deducted from the amount payable to the relevant Offer Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the sellers' ad valorem stamp duty on behalf of the accepting Offer Shareholders and pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares.

Taxation Advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with it, the Company, Kingston Securities, Kingston CF and their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Offer Shareholders

The Offeror intends to make the Offer available to all Offer Shareholders, including those who are resident outside Hong Kong.

However, the availability of the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions. The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Offer Shareholders and beneficial owners of Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe relevant applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of Overseas Offer Shareholders and overseas beneficial owners of Shares who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from the accepting Overseas Offer Shareholders in respect of such jurisdictions).

Any acceptance by any Overseas Offer Shareholders and overseas beneficial owners of Shares will be deemed to constitute a representation and warranty from such Overseas Offer Shareholders or overseas beneficial owners of Shares, as applicable, to the Offeror that the local laws and requirements have been complied with. Overseas Offer Shareholders and overseas beneficial owners of Shares should consult their own professional advisers if in doubt.

In the event that the receipt of the Composite Document by Overseas Offer Shareholders is prohibited by any applicable laws and regulations or may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly onerous or burdensome (or otherwise not in the best interest of the Offeror or the Company or the Shareholders), the Composite Document, subject to the Executive's consent, may not be despatched to such Overseas Shareholders. For that purpose, the Offeror will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

OFFEROR'S INTERESTS IN SECURITIES OF THE COMPANY

The Offeror confirms that, as at the date of this joint announcement:

- (a) the Offeror, Mr. Cai and parties acting in concert with each of them own an aggregate of 121,263,015 Shares, representing approximately 34.96% of the total number of Shares in issue. Save as aforesaid, none of the Offeror, Mr. Cai and parties acting in concert with each of them owns or has control or direction over any voting rights or rights over Shares or convertible securities, warrants, options of the Company or any derivatives in respect of such securities;
- (b) save for the acquisition by the Offeror from the Vendors of an aggregate of 121,263,015 Sale Shares (representing approximately 34.96% of the total number of Shares in issue) pursuant to the SP Agreements, none of the Offeror, Mr. Cai and any party acting in concert with each of them has dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior and up to the date of this joint announcement;
- (c) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (d) there is no agreement or arrangement to which the Offeror, Mr. Cai or any party acting in concert with each of them, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (e) none of the Offeror, Mr. Cai and parties acting in concert with each of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (f) none of the Offeror, Mr. Cai and parties acting in concert with each of them has received any irrevocable commitment to accept or reject the Offer;

- (g) there is no outstanding derivative in respect of the securities in the Company entered into by the Offeror, Mr. Cai or any parties acting in concert with each of them;
- (h) save for the acquisition by the Offeror from the Vendors of an aggregate of 121,263,015 Sale Shares (representing approximately 34.96% of the total number of Shares in issue) pursuant to the SP Agreements, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeover Code) between the Offeror, Mr. Cai or any party acting in concert with each of them on the one hand and any other person (including but not limited to any of the Vendors and any party acting in concert with each of them) on the other hand; and
- (i) save for (i) the consideration in the sum of HK\$36,368,447.58 paid by the Offeror to Vendor A pursuant to the SP Agreement A for the Sale Shares A and (ii) the consideration in the sum of HK\$9,711,498.12 paid by the Offeror to Vendor B pursuant to the SP Agreement B for the Sale Shares B, there is no other consideration, compensation or benefit in whatever form paid or to be paid by the Offeror, Mr. Cai or any party acting in concert with each of them to the Vendors or any party acting in concert with each of them in connection with the acquisition of the Sale Shares.

The Company confirms that as at the date of this joint announcement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeover Code) between (i) any Shareholder; and (ii) the Company, its subsidiaries or associated companies (as defined in the Takeovers Code).

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability and its issued Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in short to medium term capital appreciation by investing in a diversified portfolio of investments in listed and unlisted securities. The investment objective of the Company is to achieve an enhanced earnings stream and capital appreciation from its investments. It is the corporate strategy of the Group to strengthen its existing businesses and continue its focus on financing future investment opportunities to achieve financial growth for the Group and to maximise the Shareholders' value.

The following table is a summary of certain audited consolidated financial information of the Group for the three financial years ended 31 December 2024 as extracted from the annual reports of the Company for the years ended 31 December 2023 and 31 December 2022:

	For the year ended/As at 31 December		
	2024	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	1,150	758	155
Loss before tax	2,035	7,967	20,502
Loss for the year attributable to owners of the Company	2,035	7,967	20,502
Loss per Share (HK cents)			
Basic	0.62	4.40	11.32
Diluted	N/A	N/A	11.32
Net assets	77,639	60,170	68,137

SHAREHOLDING STRUCTURE OF THE GROUP

The following table sets out the shareholding structure of the Company (i) immediately before Completion of the SP Agreements; (ii) immediately after Completion of the SP Agreements; and (iii) immediately after completion of the Offer (assuming that there is no change in the total number of Shares in issue from the date of this joint announcement up to the close of the Offer and that the Offer is fully accepted by the Offer Shareholders):

	Immediately before Completion of the SP Agreements		Immediately after Completion of the SP Agreements		Immediately after completion of the Offer (assuming that there is no change in the total number of Shares in issue from the date of this joint announcement up to the close of the Offer and that the Offer is fully accepted by the Offer Shareholders)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
The Vendors						
Vendor A	95,706,441	27.59	–	–	–	–
Vendor B	25,556,574	7.37	–	–	–	–
The Offeror and parties acting in concert with it (<i>Note</i>)	–	–	121,263,015	34.96	346,897,482	100.00
Other public Shareholders	<u>225,634,467</u>	<u>65.04</u>	<u>225,634,467</u>	<u>65.04</u>	<u>–</u>	<u>–</u>
	<u>346,897,482</u>	<u>100.00</u>	<u>346,897,482</u>	<u>100.00</u>	<u>346,897,482</u>	<u>100.00</u>

Note: The Offeror is a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficially owned by Mr. Cai.

INFORMATION ON THE OFFEROR AND MR. CAI

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 15 May 2009 and its issued share capital as at the date of this joint announcement comprises one share of US\$1.00 which is beneficially owned by Mr. Cai. The Offeror is principally engaged in the business of capital investments in the PRC and other countries.

Mr. Cai is the chairman of the Offeror. He is an entrepreneur and renowned investor in the Internet and technology industry in the PRC. Mr. Cai is the co-chairman (聯席主席) of the Early-stage Investment Committee of the Asset Management Association of China (中國證券投資基金業協會早期投資專委會) and an honorary chairman (榮譽主席) of the China Business Angel Association (中國天使投資協會).

In 2004, Mr. Cai established 265.com Inc. (北京二六五科技有限公司), a company that provides site navigation services. 265.com Inc. was sold to Google in 2007. Since then, Mr. Cai has become an influential figure in the Internet start-up community in the PRC.

Mr. Cai is the founder of Meitu, Inc. (Hong Kong Stock Exchange Stock Code: 1357) and is currently its single largest shareholder. Mr. Cai has invested in various technology start-ups in the PRC, including Baofeng Group Co., Ltd (暴風集團股份有限公司) (formerly listed on the Shenzhen Stock Exchange with a stock code of 300431), 58.com Inc. (NYSE: WUBA) and Feiyu Technology International Company Ltd. (Hong Kong Stock Exchange Stock Code: 1022). From January 2009 to October 2013, Mr. Cai was the chairman of 4399 Network Co., Ltd (四三九九網絡股份有限公司), a software enterprise that provides Internet gaming applications and information services. From May 2011 to November 2015, Mr. Cai served as a director of 58.com Inc. Mr. Cai also held directorships in Xiamen Fei Bo Network Technology Co., Ltd (廈門飛博共創網絡科技股份有限公司) (National Equities Exchange and Quotations Stock Code: 834617) between June 2015 and October 2016, and TTG Fintech Limited (Australian Securities Exchange Ticker: TUP) between September 2012 and August 2017. Mr. Cai served as the chairman of Meitu, Inc. from July 2013 to June 2023.

INTENTIONS OF THE OFFEROR REGARDING THE GROUP

It is the Offeror's intention to acquire a majority interest in the Company pursuant to the Offer. As at the date of this joint announcement, the Offeror intends to maintain the existing listed and unlisted equity investment business of the Group immediately after completion of the Offer, and to invest in diversified investment portfolios comprising various financial products such as bonds and financial derivatives listed in Hong Kong, the PRC and the United States. In addition, it is intended that the Group will establish an asset management platform for investing in Hong Kong's science and technology incubators and participating in early-stage investment equity, and will also increase investments in the AI and Web3 industries as well as investments in digital asset financial products, with a view to building the Group as a world-class investment holding group. Save for the above, the Offeror will review the operation and business activities of the Group and formulate a long-term business strategy for the Group. Subject to the results of the review, the Offeror may explore other investment opportunities, seek to expand the business of the Group and consider any fund raising by way of equity, debt financing and other appropriate means with an objective to enhance the long-term growth potential of the Group.

As at the date of this joint announcement, (i) the Offeror has no intention to make material changes to the employment of the employees of the Group (except for certain proposed changes to the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate); (ii) the Offeror has no intention to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business; and (iii) no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understandings or negotiation in relation to the injection of any assets or business into the Group.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public at all times, or if the Stock Exchange believes that:

- a false market exists or may exist in the trading of the Shares; or
- that there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange following the close of the Offer. The Offeror will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that sufficient public float exists in the Shares after the close of the Offer. The Offeror will issue a separate announcement as and when necessary in this regard.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all non-executive Directors who have no direct or indirect interest in the Offer, namely Mr. Hui Yat On, Mr. Chan Pak Lam, Tom, Dr. Lau Kin Shing, Charles and Ms. Liu Min, has been established in accordance with Rules 2.1 and Rule 2.8 of the Takeovers Code to advise and give a recommendation to the Offer Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Octal Capital has been appointed as financial adviser to the Company in respect of the Offer.

INCU has been appointed by the Company with approval of the Independent Board Committee, as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and as to its acceptance.

DESPATCH OF THE COMPOSITE DOCUMENT

It is the intention of the Offeror and the Company to combine the offer document and the Company's board circular in the Composite Document.

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document setting out, among others, (i) further details of the Offer; (ii) the recommendation from the Independent Board Committee; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer; and (iv) the relevant form(s) of acceptance, is required to be despatched to the Shareholders within 21 days after the date of this joint announcement or such later date as the Executive may consent to. Further announcement(s) will be made when the Composite Document is despatched.

DEALING DISCLOSURE

All associates (as defined under the Takeovers Code and include persons holding 5% or more of any class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code)) of the Company and the Offeror are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 days period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 10:52 a.m. on 12 June 2025 pending the release of this joint announcement. Application has been made by the Company for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 25 June 2025.

WARNING

Shareholders and potential investors of the Company should note that the making of the Offer is subject to the fulfilment of the Condition. And, the Offer, when made, may or may not become or be declared unconditional. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult a licensed securities dealer or registered institutions in securities, bank manager, solicitor, professional accountant or other professional advisers.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the transaction of business
“Closing Date”	the date to be stated in the Composite Document as the first closing date of the Offer, which is 21 calendar days after the posting of the Composite Document, or any subsequent closing date of the Offer in accordance with the Takeovers Code
“Company”	China Financial Leasing Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Stock Exchange (stock code: 2312)

“Completion”	completion of the sale and purchase of the Sale Shares A, or (as the case may be) the Sale Shares B, in accordance with the terms and conditions of the SP Agreement A or (as the case may be) the SP Agreement B
“Completion Date”	24 June 2025, being the date on which Completion took place
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code containing, among other things, details of the Offer (accompanied by the form of acceptance and transfer) and the respective letters of advice from the Independent Board Committee and the Independent Financial Adviser to the Independent Board Committee
“Condition”	condition of the Offer as set out in the paragraph headed “The Offer – Condition of the Offer” of this joint announcement
“Director(s)”	director(s) of the Company
“Encumbrance(s)”	any claim, option, charge (fixed or floating), mortgage, lien, pledge, equity, adverse interest, encumbrance, right to acquire, right of pre-emption, right of first refusal, title retention or any other third party right, or other security interest or any agreement or arrangement having a similar effect or any agreement to create any of the foregoing
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegates
“Group”	the Company and its subsidiaries from time to time
“HK\$” and “HK cent(s)”	Hong Kong dollar(s) and Hong Kong cent(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	the independent board committee of the Board, comprising those Directors as identified in the section headed “Independent Board Committee and Independent Financial Adviser” of this joint announcement and formed for the purpose of advising the Offer Shareholders in respect of the Offer
“Independent Financial Adviser” or “INCUI”	INCUI Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee in respect of the Offer
“Kingston CF”	Kingston Corporate Finance Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Offeror in relation to the Offer
“Kingston Securities”	Kingston Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activity under the SFO, being the agent making the Offer on behalf of the Offeror
“Last Trading Day”	12 June 2025, being the last trading day of the Shares immediately before the suspension of trading in the Shares pending the publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Cai”	Mr. Cai Wensheng
“Octal Capital”	Octal Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Company in relation to the Offer
“Offer”	the mandatory conditional cash offer to be made by Kingston Securities, on behalf of the Offeror, to acquire all the issued Offer Shares on the basis to be set out in the Composite Document and accompanying form of acceptance, and any subsequent revision of such offer

“Offer Period”	the period from the date of this joint announcement until whichever is the latest of (i) the Closing Date, (ii) the date when the Offer lapses, (iii) the time when the Offeror announces that the Offer will not proceed, and (iv) the date when an announcement is made of the withdrawal of the Offer
“Offer Price”	the price at which the Offer will be made, being HK\$0.38 per Offer Share
“Offer Share(s)”	all the Shares in issue, other than those already owned or agreed to be acquired by the Offeror and parties in concert with it
“Offer Shareholder(s)”	Shareholder(s), other than the Offeror and parties acting in concert with it
“Offeror”	Longling Capital Ltd, a company incorporated in the British Virgin Islands with limited liability on 15 May 2009 and the entire issued share capital of which is beneficially owned by Mr. Cai, and the offeror under the Offer
“Overseas Offer Shareholder(s)”	Offer Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong
“PRC”	the People’s Republic of China which, for the purposes of this joint announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Sale Share(s) A”	95,706,441 Shares, representing approximately 27.59% of the total number of Shares in issue as at the date of this joint announcement, held by Vendor A immediately before Completion
“Sale Share(s) B”	25,556,574 Shares, representing approximately 7.37% of the total number of Shares in issue as at the date of this joint announcement, held by Vendor B immediately before Completion
“Sale Shares”	Sale Shares A and Sale Shares B, and “Sale Share” means a Sale Share A or Sale Share B

“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with par value of HK\$0.04 in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“SP Agreement A”	the sale and purchase agreement dated 13 June 2025 between Vendor A as vendor and the Offeror as purchaser in relation to the Sale Shares A
“SP Agreement B”	the sale and purchase agreement dated 18 June 2025 between Vendor B as vendor and the Offeror as purchaser in relation to the Sale Shares B
“SP Agreements”	the SP Agreement A and the SP Agreement B
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US\$”	United States dollar(s), the lawful currency of the United States of America
“Vendor A”	Mr. Lam Shu Chung
“Vendor B”	Like Capital Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Capital VC Limited, a company incorporated in the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange (stock code: 2324)
“Vendors”	Vendor A and Vendor B
“%”	per cent.

By order of the board of directors of
Longling Capital Ltd
Cai Wensheng
Sole Director

By order of the Board
China Financial Leasing Group Limited
Lui Cheuk Hang Henri
Executive Director

Hong Kong, 24 June 2025

As at the date of this joint announcement, the Board comprises Mr. Lui Cheuk Hang Henri and Mr. Chiu Tak Wai as executive Directors, and Mr. Hui Yat On, Mr. Chan Pak Lam, Tom, Dr. Lau Kin Shing, Charles and Ms. Liu Min as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than any information relating to the Offeror), and confirm, having made all reasonable inquiries, that to the best of each of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Cai Wensheng.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Group), and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.