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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 379)**

## **DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF LOAN FACILITY**

On 8 November 2018, the Lender entered into the Loan Agreement with the Borrowers, pursuant to which the Lender agreed to provide to the Borrowers a loan facility in the principal amount not exceeding HK\$80,000,000 for a term of 12 months.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules with respect to the amount of financial assistance granted to the Borrowers exceeds 5% but not more than 25%, the Loan Facility constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Board announces that on 8 November 2018, the Loan Agreement was entered into between the Lender, an indirect wholly-owned subsidiary of the Company, and Borrowers. Pursuant to the Loan Agreement, the Lender has agreed to provide to the Borrowers a loan facility in the principal amount not exceeding HK\$80,000,000 for a term of 12 months.

Principal terms of the Loan Agreement are summarized below:

## **LOAN AGREEMENT**

Date: 8 November 2018

Lender: TF Advances Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company

Borrowers:

- (i) The First Borrower, being an individual who, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, is an Independent Third Party
- (ii) The Second Borrower, being a company incorporated in the British Virgin Islands with limited liability and 100% owned by the First Borrower

Principal amount: Not more than HK\$80,000,000

Interest rate: 10% per annum, payable each 6 months from the drawdown date

Repayment date: The date falling 12 months from the date of drawdown

The Borrowers may request for early repayment of the whole of the principal amount outstanding under the Loan Facility together with interest accrued and unpaid thereof.

Security: The repayment obligations of the Borrowers under the Loan Agreement are secured by the pledge of shares of a company listed on the Main Board of the Stock Exchange with a market value as at the date of this announcement of more than HK\$100 million.

- Guarantors:
- (i) The Personal Guarantor, being an individual who, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, is an Independent Third Party
  - (ii) The Corporate Guarantor, being a company incorporated in the British Virgin Islands with limited liability and 100% owned by the Personal Guarantor

## **REASONS FOR AND BENEFITS OF THE PROVISION OF LOAN FACILITY**

The Group is principally engaged in (i) finance lease; (ii) investment in terminal and logistics services business; (iii) trading of equity securities; (iv) money lending business; and (v) manufacturing of food additives. The Lender is an indirect wholly-owned subsidiary of the Company and a licensed money lender in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). The provision of the Loan Facility is a transaction carried out as part of the ordinary and usual course of business of the Group. The Loan Facility will be funded by internal resources of the Group, which were derived from the net proceeds from the disposal of 25% equity interest in Rizhao Lanshan Wansheng Harbour Company Limited. Due to lack of feasible finance lease projects as a result of the unfavorable financial environment in the PRC, part of the net proceeds will be reallocated from the finance lease business to the money lending business.

The terms of the Loan Agreement (including the interest rate) were arrived at by Lender and the Borrowers after arm's length negotiations, with reference to prevailing commercial practice and the amount of the Loan Facility. Having considered the market value of the security provided, the financial background of the Borrowers and the Guarantors and the interest income to be received by the Group, the Directors consider that the terms of the Loan Agreement are fair and reasonable and the provision of the Loan Facility is in the interest of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules with respect to the amount of financial assistance granted to the Borrowers exceeds 5% but not more than 25%, the Loan Facility constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement the following expressions shall have the following meanings, unless the context otherwise requires:

“Board”	the board of Directors
“Borrowers”	collectively the First Borrower and the Second Borrower
“Company”	China Ever Grand Financial Leasing Group Co., Ltd., a company incorporated in the Cayman Islands whose shares are listed and traded on the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules
“Corporate Guarantor”	a company incorporated in the British Virgin Islands with limited liability and 100% owned by the Personal Guarantor
“Director(s)”	the director(s) of the Company
“First Borrower”	an individual who, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, is an Independent Third Party
“Group”	the Company and its subsidiaries

“Guarantors”	collectively the Corporate Guarantor and the Personal Guarantor
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a third party which is independent of and not connected with the Company and its connected persons and not otherwise a connected person of the Company
“Lender”	TF Advances Limited, a company incorporated in Hong Kong with limited liability and an indirectly wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	a loan agreement dated 8 November 2018 entered into between the Lender and the Borrowers in relation to the provision of the Loan Facility
“Loan Facility”	the loan facility in principal amount not exceeding HK\$80,000,000 granted by the Lender to the Borrowers pursuant to the Loan Agreement
“Personal Guarantor”	an individual who, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, is an Independent Third Party
“Second Borrower”	a company incorporated in the British Virgin Islands with limited liability and 100% owned by the First Borrower

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

By order of the Board

**China Ever Grand Financial Leasing Group Co., Ltd.**

**Lai Ka Fai**

*Executive Director*

Hong Kong, 8 November 2018

*As at the date of this announcement, the Board comprises (1) Mr. Wong Lik Ping, Mr. Lai Ka Fai, Mr. Tao Ke and Mr. Qiao Weibing as executive directors; and (2) Mr. Goh Choo Hwee, Mr. Ho Hin Yip and Mr. U Keng Tin as independent non-executive directors.*