

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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

**(Stock Code: 379)**

## **DISCLOSEABLE TRANSACTION ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY**

### **BACKGROUND**

The Board is pleased to announce that on 10 April 2019 (after trading hours) the Purchaser, an indirectly wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Share, which represent the entire issued share capital of the Target Company, and the benefit of the Sale Loan, in the Consideration of HKD70,000,000. Upon Completion, the Target Company will become an indirectly wholly-owned subsidiary of the Company. The Target Company (i) holds 100% interest in the Property, and (ii) is principally engaged in property investment.

### **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the transactions contemplated under the Sale and Purchase Agreement are more than 5% but lower than 25%, the transactions contemplated under the Sale and Purchase Agreement constitute discloseable transactions of the Company under the Listing Rules and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Shareholders and potential investors of the Company should note that the Completion of the Acquisition is subject to the fulfillment (or waiver, if applicable) of the Conditions Precedent, and the Completion may or may not proceed. Shareholders and potential investors of the Company are therefore advised to exercise caution when dealing in the Shares.**

## **INTRODUCTION**

The Board is pleased to announce that on 10 April 2019 (after trading hours) the Purchaser, an indirectly wholly-owned subsidiary of the Company, and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Purchaser has conditionally agreed to purchase and the Vendor has conditionally agreed to sell the Sale Share, which represent the entire issued share capital of the Target Company, and the benefit of the Sale Loan, in the Consideration of HKD70,000,000. Summarised below are the principal terms of the Sale and Purchase Agreement:

## **SALE AND PURCHASE AGREEMENT**

### **Date**

10 April 2019

### **Parties**

- (i) the Purchaser; and
- (ii) the Vendor.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, as at the date of the Sale and Purchase Agreement, the Vendor is a third party independent of the Company and its connected persons (as defined in the Listing Rules).

## **Assets to be acquired**

Pursuant to the Sale and Purchase Agreement, the assets to be acquired by the Purchaser include the Sale Share (i.e. the entire issued share capital of the Target Company which is beneficially owned by the Vendor) and the Sale Loan (i.e. all the loan owing by the Target Company to the Vendor upon Completion, which is interest-free, unsecured and repayable on demand).

The main assets of the Target Company is the Property (Offices 1-5, 12/F., Kwan Chart Tower, No. 6 Tonnochy Road, Wanchai, Hong Kong) with a saleable area of approximately 3,248 sq. ft. for commercial purpose.

## **Consideration**

The total consideration of the Sale Share and the Sale Loan under the Sale and Purchase Agreement is HKD70,000,000, which shall be fully paid by the Purchaser to the Vendor or a recipient designated by the Vendor upon Completion.

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor. Given the Property represents a majority of the asset value of the Target Company, the Company has also considered the valuation as stated in the draft Property Valuation Report prepared by an independent valuer. According to the draft Property Valuation Report, the market value of the Property is HKD72,000,000 as of 11 March 2019.

The Company intends to settle the Consideration with the 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\* (日照嵐山萬盛港業有限責任公司) (the "Disposal"). Please refer to the circular of the Company dated 25 June 2018 (the "Circular") for further details of the Disposal.

As disclosed in the announcements of the Company dated 8 November 2018 and 8 January 2019, the Company reallocated HKD170,000,000 of the proceeds derived from the Disposal from the finance lease business to the money lending business and to satisfy the consideration of the acquisition of interests of a related company due to lack of feasible finance lease projects as a result of the unfavorable financial environment in the PRC. In light of the current unfavorable financial environment in the PRC and the use of idle funds to create higher returns, the Company will further reallocate the remaining portion of the proceeds allocated to the finance lease business to satisfy the Consideration of the Acquisition.

### **Conditions Precedent**

Completion is conditional upon the fulfillment of a number of conditions, including but not limited to the following:

- (1) The Purchaser is satisfied with the results of the due diligence review on the financial, legal and business of the Target Company;
- (2) The warranties given by the Vendor are true, correct and not misleading in all respects upon Completion, as if it is repeated at all times from the date of the Sale and Purchase Agreement to the Completion;
- (3) The Vendor has delivered to the Purchaser copies of the title deeds or documents and public record matters required to prove the title of the Target Company and satisfied the Purchaser, indicating that the Target Company (or its nominee) can prove and give good title to the Property in accordance with Sections 13 and 13A of the Conveyancing and Property Ordinance (Chapter 219 of the Laws of Hong Kong);
- (4) The parties have obtained all necessary approvals, permits, consents and authorisations for the transactions contemplated under the Sale and Purchase Agreement, whether as required by laws, regulatory regulations or otherwise.

The Purchaser may waive any Conditions Precedent in writing. If any of the Conditions Precedent is not fulfilled before the Long Stop Date, the Purchaser may have an option to give notice to the Vendor without prejudice any other rights or remedies to which the Purchaser may be entitled, and choose:

- (1) to waive unfulfilled conditions at the time;
- (2) to postpone the date on which the above conditions are fulfilled to a date not exceeding three business days after the date of completion; or
- (3) to terminate the Sale and Purchase Agreement.

### **Completion**

Completion shall take place on a day no later than 30 April 2019 or such other date as may be agreed in writing by the parties after the fulfilment (or wavier, if applicable) of all the Conditions Precedent.

Upon Completion, the Target Company will become a subsidiary of the Company and accordingly its financial results will be consolidated into the accounts of the Group.

### **INFORMATION OF THE TARGET COMPANY**

The Target Company is a limited company incorporated in Hong Kong. It is principally engaged in property investment and is the registered and beneficial owner of the Property.

## **FINANCIAL INFORMATION OF THE TARGET COMPANY**

Set out below is a summary of the consolidated unaudited financial information of the Target Company for the two years ended 31 December 2017 and 31 December 2018, respectively:

	<b>For the year ended 31 December 2017 HKD</b>	<b>For the year ended 31 December 2018 HKD</b>
Net loss before taxation	586,665	489,150

## **INFORMATION OF THE VENDOR**

The Vendor is a Hong Kong permanent resident.

## **INFORMATION OF THE COMPANY AND THE PURCHASER**

The principal business of the Group comprises (i) finance lease; (ii) investment in terminal and logistics services business; (iii) trading of equity securities; (iv) property investment; (v) investment holding; (vi) investment in the manufacturing of food additives; and (vii) money lending business. The Purchaser, which is an indirectly wholly-owned subsidiary of the Company, is a company engaged in investment holding.

## **REASONS AND BENEFITS FOR THE ACQUISITION**

The Group is committed to seeking business opportunities and intends to acquire high quality assets with good potentials for expansion of the Group's business in order to diversify the Group's income stream and enhance Shareholders' value. Given that the Target Company owns the Property well located in the central business district of Hong Kong, the Board considers the Acquisition and the entering into of the Sale and Purchase Agreement represents a good investment opportunity and believe that the Group will benefit from the anticipated appreciation in value of the Property and acquire stable rental incomes. The Board (including the independent non-executive Directors) considers that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and are entered into on normal commercial terms and in the interests of the Group and its shareholders as a whole.

## **LISTING RULES IMPLICATION**

As one or more of the applicable percentage ratio(s) (as defined in the Listing Rules) in respect of the transactions contemplated under the Sale and Purchase Agreement are more than 5% but lower than 25%, the transactions contemplated under the Sale and Purchase Agreement constitute discloseable transactions of the Company under the Listing Rules and are subject to the 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:

“Acquisition”	the proposed acquisition of the entire issued share capital of the Target Company and the benefit of all the loan owing by the Target Company to the Vendor pursuant to the Sale and Purchase Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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
“Completion”	completion of the Acquisition pursuant to the Sale and Purchase Agreement, which shall take place on a day no later than 30 April 2019
“Conditions Precedent”	the conditions precedent to the Completion
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Consideration”	the aggregate consideration of HKD70,000,000 for the acquisition of the Sale Share and the benefit of the Sale Loan pursuant to the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 April 2019 or such later date as the Purchaser and the Vendor may agree in writing
“PRC”	the People’s Republic of China, excluding Taiwan, Hong Kong and Macau Special Administrative Region of the PRC for the purpose of this announcement
“Property”	Offices 1-5, 12/F., Kwan Chart Tower, No. 6 Tonnochy Road, Wanchai, Hong Kong
“Property Valuation Report”	a valuation report on the Property prepared by an independent valuer
“Purchaser”	Multi Kingdom Investment Limited, a company incorporated in the BVI with limited liability in 2010 and an indirectly wholly-owned subsidiary of the Company
“Sale and Purchase Agreement”	a sale and purchase agreement dated 10 April 2019 entered into between the Purchaser and the Vendor in relation to the Acquisition

“Sale Loan”	the full loan owing by the Target Company to the Vendor upon Completion, which is interest-free, unsecured and repayable on demand
“Sale Share”	100% of the issued share capital of the Target Company as at the date of Completion
“Share(s)”	ordinary share of HKD0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Jumbo Hall International Limited, a company incorporated in Hong Kong with limited liability in 1993, the entire issued share capital of which is owned by the Vendor
“Vendor”	a businessman, and to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, a third party independent of the Company and its connected persons (as defined in the Listing Rules)
“%”	per cent

By order of the Board  
**China Ever Grand Financial Leasing Group Co., Ltd.**  
**Lai Ka Fai**  
*Executive Director*

Hong Kong, 10 April 2019

*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.*