
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Financial Leasing Group Limited (the “**Company**”), you should at once hand this circular together with the form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



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)

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



Akron Corporate Finance Limited
亞貝隆資本有限公司

A letter from the independent board committee is set out on pages 13 to 14 of this circular. A letter from the independent financial adviser to the independent board committee and the independent shareholders of the Company, is set out on pages 15 to 24 of this circular.

A notice convening an extraordinary general meeting of the Company to be held at Room 2202, 22/F, 118 Connaught Road West, Hong Kong on Monday, 6 March 2017 at 11:00 a.m. (the “**EGM**”), at which, among other things, the above proposals will be considered, is set out on pages 25 to 27 of this circular.

Whether or not you are able to attend the EGM, you are advised to read the notice and to complete and return the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting should you so wish.

17 February 2017

* For identification purpose only

CONTENTS

	<i>Page</i>
Responsibility Statement	ii
Definitions	1
Letter from the Board	4
Letter from the Independent Board Committee	13
Letter from the Independent Financial Adviser	15
Notice of EGM	25

RESPONSIBILITY STATEMENT

This circular, for which the Directors (as defined herein) of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules (as defined herein) for the purpose of giving information with regard to the Company. The Directors (as defined herein), having made all reasonable enquires, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 25 May 2016 at which the Shareholders had approved, among other matters, the Existing General Mandate
“associate(s)”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Company”	China Financial Leasing Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed to this term under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at Room 2202, 22/F, 118 Connaught Road West, Hong Kong on Monday, 6 March 2017 at 11:00 a.m. to consider and, if appropriate, to approve the refreshment of the Existing General Mandate
“Existing General Mandate”	the general mandate approved at the AGM to grant to the Directors to allot, issue and deal with Shares of up to 124,389,976 Shares, i.e. 20% of the total number of issued Shares of the Company on the date of the passing of the relevant ordinary resolution
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, to advise the Independent Shareholders as to the fairness and reasonableness of the grant of the New General Mandate

DEFINITIONS

“Independent Financial Adviser”	Akron Corporate Finance Limited, a corporation licensed to carry out business in type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the refreshment of the Existing General Mandate
“Independent Shareholders”	any Shareholders other than controlling Shareholders and their associates or, which there are no controlling Shareholders, any Shareholders other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Latest Practicable Date”	13 February 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the general mandate proposed to be granted to the Directors at the EGM to allot, issue and otherwise deal with additional Shares not exceeding 20% of the total number of issued Shares of the Company on the date of the passing of the relevant ordinary resolution
“PRC”	the People’s Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



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)

Executive Director

Mr. JIM Ka Shun

Independent Non-executive Directors

Mr. GAN Wei Ping

Mr. YIP Ming

Mr. LAU Siu Hang

Mr. TSANG Chung Sing Edward

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong:*

Room 2202, 22/F

118 Connaught Road West

Hong Kong

17 February 2017

To the Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

The purpose of this circular is to provide you with information relating to (i) the proposed grant of the New General Mandate; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the proposed grant of the New General Mandate; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, on the proposed grant of the New General Mandate; and (iv) the notice of EGM.

* For identification purpose only

LETTER FROM THE BOARD

REFRESHMENT OF THE EXISTING GENERAL MANDATE

Pursuant to an ordinary resolution passed by the Shareholders at the AGM, the Directors were granted the Existing General Mandate to allot, issue and deal with up to 124,389,976 Shares, representing 20% of the total number of issued Shares as at the date of passing of the relevant resolution approving the Existing General Mandate until the revocation, variation or expiration of the Existing General Mandate.

During the period from the grant of the Existing General Mandate to the Latest Practicable Date, a total of 120,000,000 Shares were issued at HK\$0.29 per Share by utilising the Existing General Mandate on 27 October 2016 pursuant to the placing agreement entered into between the Company and Supreme China Securities Limited on 12 October 2016. The net amount of proceeds raised was approximately HK\$33.88 million.

Since the AGM and except for the proposed grant of the New General Mandate herein, the Company has not refreshed its Existing General Mandate.

As at the Latest Practicable Date, the Company did not have any plan, arrangement, understanding, intention, negotiation (either concluded or in progress) on any potential transaction which would involve issue of securities of the Company that require disclosure under the Listing Rules. The Company will comply with the applicable disclosure requirements under the Listing Rules in respect of any actual or potential investment(s) and/or fund raising exercise(s) as and when appropriate.

As at the Latest Practicable Date, the Company had an aggregate of 741,949,882 Shares in issue. Subject to the passing of the ordinary resolution for the approval of the New General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the EGM, the Company would be allowed under the New General Mandate to allot and issue 148,389,976 new Shares, being 20% of the total number of issued Shares of the Company as at the Latest Practicable Date. The New General Mandate is valid until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

LETTER FROM THE BOARD

REASONS FOR THE NEW GENERAL MANDATE

The Company is principally engaged in short to medium term capital appreciation by investing in a diversified portfolio of investments in listed securities in Hong Kong. The Group is also engaged in investment in the PRC.

As at 31 December 2016, the Group's cash and bank balances was approximately HK\$751,000 and the Group did not had any borrowing or debt financing. As at 31 December 2016, the Group had diversified portfolio of investments in listed securities in Hong Kong of approximately HK\$66,245,000 and it allows the Group to realize the investments in stock markets from time to time. Based on the projection of the Company, barring unforeseen circumstances, it is estimated that the working capital requirement for the Group for the next twelve months will be approximately HK\$11.59 million, mainly comprises staff salaries of approximately HK\$6.13 million, directors' emoluments of approximately HK\$1.32 million, investment management fee of approximately HK\$660,000 and consultancy fee of approximately HK\$720,000. Having considered the above working capital requirement, the Company will maintain a positive cash position and to meet the working capital requirement through the net proceeds from the realization of investments in listed securities. However, the realization of investments for supporting working capital requirement may not maximize Shareholders' returns due to the realization may not grasp the right time and there may be additional funding requirement of the Company to cover any unexpected circumstances, such as changes in market conditions or opportunities, which may increase the working capital requirement of the Company. Therefore, the Directors consider that it will be a merit for the Group to have additional working capital for its ongoing investment activities and for coping with any business challenges.

As at the Latest Practicable Date, taking into account its existing cash and bank balances and other available resources, the Board estimates that the Group has sufficient working capital for its present requirements and for at least 12 months from the date of this circular in the absence of any unforeseen circumstances.

The Board considers that equity financing through the use of a general mandate is an important fund-raising channel to the Group, as it (i) does not create any payment of interest obligations on the Group and does not require the provision of collaterals as compared with debt financing; (ii) is less costly than raising funds by way of rights issue or open offer; and (iii) provides the Company with the capability and flexibility to capture any fund raising or prospective investment opportunity as and when it arises. The Board considers that the ability to issue new Shares under the New General Mandate for equity financing purpose is crucial in a competitive and rapidly changing investment environment and in times of volatile market conditions.

LETTER FROM THE BOARD

In particular, given the Company is principally engaged in short to medium term capital appreciation by investing in a diversified portfolio of investments in listed securities in Hong Kong, the performance and business operation of the Company is directly related to the fluctuations of the equity markets and changes in the global economy. The Directors consider that funding requirement or appropriate investment opportunities may arise at any time prior to the next annual general meeting and decision may have to be made within a limited period of time in such event particularly due to the high volatility of the stock markets that the Company primarily invests in. In case the Group has identified suitable investment targets, it may utilise the New General Mandate to raise funding for settling the consideration for such investments. For prudence and flexibility, the Directors consider that it is in the interests of the Company and the Shareholders to refresh the Existing General Mandate so as to provide sufficient resources and financial flexibility to enable the Company to capture investment opportunities in time and to maximize Shareholders' returns. In addition, if any potential investors offer attractive terms for investment in the Shares and subject to the market conditions, the New General Mandate will enable the Directors to conduct an equity fund raising exercise by issuing equity securities within a relatively short period of time, the net proceeds of which will support the Group's business development. The Directors therefore believe that the refreshment of the Existing General Mandate will provide flexibility in the source of funding and allow the Company to grasp any potential opportunities in a timely manner.

As compared with the use of a general mandate, the use of a specific mandate for fund raising purpose will be cautiously considered by the Company, given that the Company will have to comply with the notice period requirement for convening a special general meeting in order to seek for such specific mandate from Shareholders and face uncertainties as the specific mandate may not be obtained in a timely manner, which may limit the Company's ability to timely execute and fund its investment activities, such as stock market transactions.

In terms of bank and debt financing, not only that it may be subject to lengthy due diligence and documentation negotiations as compared to equity financing, the Company may also have to bear interest payment obligations coupled with such bank and debt financing. The Directors are also of the view that (i) the ability of the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the then prevailing market condition; and (ii) debt financing may require pledge of assets and/or other kind of securities which may possibly reduce the Group's flexibility in managing its portfolio. Based on the aforementioned reasons, the Board consider debt financing to be relatively uncertain and time-consuming as compared to equity financing for the Group to obtain additional funding. The Company will only be cautiously considered as and when appropriate to reduce possible liquidity issue.

LETTER FROM THE BOARD

In addition to bank and debt financing, there also exists other means of equity fund raising such as rights issue which may not have an immediate dilution impact. However, not only that it would be difficult to identify any underwriter to underwrite the rights issue as required under the Listing Rules, the costs for the Company to undergo such equity fund raising exercise will be relatively high as compared to equity financing through the use of a general mandate.

It is noted that it normally takes more than three months to raise funds by rights issue or open offer and it may not allow the Company to grasp potential opportunities in a timely manner. In addition, rights issue and open offer will incur higher underwriting commission and involve extra administrative work and additional cost for the trading arrangements. Although rights issue and open offer would be offered to the Shareholders on a pro rata entitlement basis, those qualifying shareholders who choose not to take up their assured entitlements in full would have dilution to their shareholding interests in the Company.

Should any future funding needs arise or attractive terms for investment in Shares become available from potential investors, the Board will be able to respond to the market and such investment opportunities promptly because such a fund raising exercise pursuant to a general mandate provides the Company a more simple and less lead time process than other types of fund raising exercises.

Although the Company does not have any immediate plans for any new issue of Shares under the New General Mandate as at the Latest Practicable Date, taking into account that (i) the Existing General Mandate has been utilised as to 120,000,000 new Shares under the placing. Such 120,000,000 new Shares were allotted and issued on 27 October 2016 by the Company and represented approximately 96.47% of the aggregate number of Shares which may be allotted and issued under the Existing General Mandate; (ii) net proceeds from the equity fund raising activities over the past 12 months immediately preceding the Latest Practicable Date were utilised for investments and allocated for supporting daily operating expenses, the Board believes that the proposed grant of the New General Mandate prior to the next annual general meeting (i.e. on or before late June 2017) is expected be around four months from the Latest Practicable Date which is in the best interests of the Company and the Shareholders as a whole by maintaining the flexibility for any future allotment and issue of Shares by the Board necessary for the Group's future business development; (iii) the above flexibility outweigh the dilution effect of the existing Shareholders as the Company is able to respond in a timely and effective manner to take advantages of any material investment opportunities for the benefit of the Company and its Shareholders as a whole; and (iv) the shareholding interests of all the Shareholders will be diluted in proportion to their respective shareholdings upon any utilisation of the New General Mandate as listed under the section headed "Potential dilution on shareholdings", the Directors consider such potential dilution to shareholdings of the public Shareholders to be acceptable.

LETTER FROM THE BOARD

The Directors have exercised due and careful consideration when choosing the best financing method available to the Company. The grant of the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future business development, the Directors are of the view that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

Based on the above, the Company considers that equity financing through the use of the New General Mandate is an appropriate way to raise funds for the Company.

EQUITY FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The following are the equity fund raising activities conducted by the Group in the past 12 months immediately preceding the Latest Practicable Date:

Date of announcement	Event	Net proceeds	Intended use of proceeds as announced	Actual use of proceeds
12 May 2016	Placing of 50,000,000 new Shares under general mandate	Approximately HK\$28.13 million	General working capital and potential investments to be identified	Used as intended ⁽¹⁾
12 October 2016	Placing of 120,000,000 new Shares under general mandate	Approximately HK\$33.88 million	General working capital and potential investments to be identified	Used as intended ⁽²⁾

Note 1: a total of approximately HK\$25.94 million has been utilised to invest in five investees, i.e., Huarong Investment Stock Corporation Limited (stock code: 2277) (invested approximately HK\$3,809,000), Glory Flame Holdings Limited (stock code: 8059) (invested approximately HK\$4,726,000), REXLot Holdings Limited (stock code: 555) (invested approximately HK\$3,954,000), KSL Holdings Limited (stock code: 8170) (invested approximately HK\$3,908,000) and King Force Group Holdings Limited (stock code: 8315) (invested approximately HK\$9,545,000). The remaining approximately HK\$2.19 million has been allocated for supporting daily operating expenses.

Note 2: a total of approximately HK\$33 million has been utilised to invest in five investees, i.e., KSL Holdings Limited (stock code: 8170) (invested approximately HK\$5,200,000), China Internet Investment Finance Holdings Limited (stock code: 810) (invested approximately HK\$8,491,000), Grand Peace Group Holdings Limited (stock code: 8108) (invested approximately HK\$11,015,000), REXLot Holdings Limited (stock code: 555) (invested approximately HK\$7,307,000) and Glory Flame Holdings Limited (stock code: 8059) (invested of the remaining amount of HK\$33 million approximately HK\$987,000). The remaining approximately HK\$880,000 has been allocated for supporting daily operating expenses.

LETTER FROM THE BOARD

POTENTIAL DILUTION ON SHAREHOLDINGS

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the New General Mandate (assuming no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to and including the date of the EGM), for illustrative and reference purpose:

Name of Shareholders	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Li Denian (<i>Note</i>)	167,010,000	22.51%	167,010,000	18.76%
Public Shareholders	574,939,882	77.49%	574,939,882	64.57%
Shares to be issued under the New General Mandate	—	—	148,389,976	16.67%
Total	741,949,882	100.00%	890,339,858	100.00%

Note: Mr. Li Denian held (i) 77,770,000 Shares in his own capacity and (ii) 89,240,000 Shares through Dragon Metro Limited, a company incorporated in the Republic of Seychelles and is wholly-owned by Mr. Li Denian.

Upon full utilisation of the New General Mandate, 148,389,976 Shares will be issued, representing 20% of the total number of issued Shares of the Company as at the Latest Practicable Date and approximately 16.67% of the total number of issued Shares of the Company as enlarged by the Shares issued under the New General Mandate. Assuming that the Company does not issue and/or repurchase any Shares from the Latest Practicable Date up to and including the date of the EGM, the aggregate shareholding of the public Shareholders will decrease from approximately 77.49% as at the Latest Practicable Date to approximately 64.57% upon full utilisation of the New General Mandate, representing a potential maximum dilution in public shareholding by approximately 16.67%. If the New General Mandate is granted and fully utilised, it may result in a cumulative dilution effect of approximately 35.76% in the shareholding of the public Shareholders as enlarged by the issue of new Shares under the New General Mandate and the fund raising activities conducted by the Company in the past 12 months immediately prior to the Latest Practicable Date. Although the grant of the New General Mandate and the fund raising activities of the Company in the past twelve month period as listed under the section headed “Equity fund raising activities in the past 12 months” will cause/have caused dilution in the Shares, the Board will be able to respond to the market and investment opportunities promptly because such a fund raising exercise pursuant to a general mandate provides the Company a more simple and less lead time process than other types of fund raising exercises and avoid the uncertainties and circumstances where a specific mandate may not be obtained in a timely manner.

LETTER FROM THE BOARD

EGM

Pursuant to Rule 13.36(4) of the Listing Rules, the New General Mandate requires the approval of the Independent Shareholders at the EGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution. As at the Latest Practicable Date, since the Company has no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant ordinary resolution.

As at the Latest Practicable Date, the Company does not have any controlling shareholder, none of the Directors nor the chief executive of the Company and their respective associates, hold any Shares and none of the Shareholders are required to abstain from voting in favour of the proposed resolution approving the New General Mandate at the EGM pursuant to the Listing Rules and/or the Bye-laws.

The resolution proposed to be approved at the EGM will be taken by way of poll pursuant to the Listing Rules and an announcement on the results of the EGM will be made by the Company after the EGM in the manner prescribed under Rule 13.39(4) of the Listing Rules.

The notice convening the EGM is set out on pages 25 to 27 of this circular. At the EGM, an ordinary resolution will be proposed to approve the proposed grant of the New General Mandate. A form of proxy for use at the EGM is also enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of the power of attorney or authority, to the Hong Kong share registrar and transfer office of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting if you so wish and in such event, the proxy form shall be deemed to be revoked.

LETTER FROM THE BOARD

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprises Mr. Gan Wei Ping, Mr. Yip Ming, Mr. Lau Siu Hang and Mr. Tsang Chung Sing Edward, all being independent non-executive Directors. It has been established to advise the Independent Shareholders on the grant of the New General Mandate.

Akron Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

RECOMMENDATIONS

The Directors consider the granting of the New General Mandate are in the interest of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM.

The Independent Board Committee, having taken into account the advice of Independent Financial Adviser, considers that the granting of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM for approving the grant of the New General Mandate.

GENERAL INFORMATION

Your attention is drawn to the Letter from the Independent Financial Adviser set out on pages 15 to 24 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the grant of the New General Mandate and the Letter from the Independent Board Committee set out on pages 13 to 14 of this circular which contains its recommendation to the Independent Shareholders in relation to the grant of the New General Mandate.

By Order of the Board
China Financial Leasing Group Limited
Jim Ka Shun
Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the proposed refreshment of the Existing General Mandate:



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)

17 February 2017

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

We have been appointed as the Independent Board Committee to consider and advise you in connection with the proposed refreshment of the Existing General Mandate, details of which are set out in the circular dated 17 February 2017 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms defined in the Circular will have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the Letter from the Board and the Letter from the Independent Financial Adviser set out on pages 4 to 12 and pages 15 to 24 of the Circular respectively.

The business nature of the Company is investment making which needs prompt reaction to the fast paced capital markets in order to seize any investment opportunities when they arise, and given the current bullish stock market sentiment, the Company should be able to seize such investment opportunities with sufficient internal resources. Therefore, refreshment of Existing General Mandate is in the interest of the Company and the Shareholders as a whole.

* For identification purpose only

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account the principal factors and reasons considered by the Independent Financial Adviser, as well as its conclusion and advice, we concur with the view of the Independent Financial Adviser and consider the terms of the refreshment of the Existing General Mandate fair and reasonable so far as the Independent Shareholders are concerned and the New General Mandate is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the ordinary resolution to be proposed at the EGM to approve the refreshment of the Existing General Mandate and the transactions contemplated thereunder.

Yours faithfully,

For and on behalf of the Independent Board Committee

Mr. Gan Wei Ping

Mr. Yip Ming

Mr. Lau Siu Hang

Mr. Tsang Chung Sing Edward

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate for inclusion in this circular.



17 February 2017

*To The Independent Board Committee and the Independent Shareholders
of China Financial Leasing Group Limited*

Dear Sirs,

PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular issued by the Company to its Shareholders dated 17 February 2017 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Pursuant to the Listing Rules, the grant of the New General Mandate is subject to the approval of the Independent Shareholders at the EGM by way of poll. Any controlling Shareholders and their associates, or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution to approve the grant of the New General Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors, (i) the Company has no controlling Shareholders; and (ii) none of the Directors and the chief executive of the Company and their respective associates hold any Shares and are required to abstain from voting in favour of the ordinary resolution to approve the grant of the New General Mandate. To the extent that any of the Directors and their respective associates controlled or are entitled to exercise control over the voting rights in respect of his/her/their Shares at the date of EGM, they are required to abstain from voting in favour of the ordinary resolution to approve the grant of the New General Mandate at the EGM.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Gan Wei Ping, Mr. Yip Ming, Mr. Lau Siu Hang and Mr. Tsang Chung Sing Edward, all being independent non-executive Directors, has been established to advise the Independent Shareholders on the proposed grant of the New General Mandate. We, Akron Corporate Finance Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years, we have not acted as the independent financial adviser to the independent board committee and the independent Shareholders of the Company for any transaction.

Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR ADVICE

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinion and representations contained or referred to in the Circular and the statements, information, opinion and representations provided to us by the management of the Company and the Directors. We have assumed that all information and representations contained or referred to in the Circular and all information and representations which have been provided by the management of the Company and the Directors, for which they are solely and wholly responsible, were true, accurate and complete at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors as set out in the Circular were reasonably made after due and careful inquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and representations contained in the Circular.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular as a whole misleading.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, or its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the grant of the New General Mandate. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS CONSIDERED

In giving our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate, we have taken into consideration the following factors and reasons:

1. Background of the proposed grant of the New General Mandate

Pursuant to an ordinary resolution passed by the Shareholders at the AGM, the Directors were granted the Existing General Mandate to allot, issue and deal with up to 124,389,976 Shares, representing 20% of the total number of issued Shares as at the date of passing of the relevant resolution approving the Existing General Mandate until the revocation, variation or expiration of the Existing General Mandate.

On 12 October 2016, the Company entered into a placing agreement in relation to the placing of 120,000,000 new Shares (the “**Placing**”). The Placing was completed on 27 October 2016 and 120,000,000 new Shares were successfully placed under the Existing General Mandate, representing utilisation of approximately 96.47% of the Existing General Mandate. The net proceeds from the Placing is approximately HK\$33.88 million. Based on the information provided by the Company, the net proceeds from the Placing had been utilised for investing in listed securities in Hong Kong and allocated for supporting daily operating expenses.

As there has not been any refreshment of the Existing General Mandate since the AGM, only 4,389,976 Shares may be further allot, issue and deal with by the Directors under the Existing General Mandate as at the Latest Practicable Date. Given that (i) the Existing General Mandate has almost been fully utilised; and (ii) the next annual general meeting of the Company is estimated to be held on or before late June 2017 (the “**Next AGM**”), which is around four months from the Latest Practicable Date, the Board proposed to seek approval from the Independent Shareholders for the grant of the New General Mandate at the EGM so as to allow the Directors to allot, issue and deal with issue new Shares not exceeding 20% of the total number of issued Shares as at the date of the EGM.

As at the Latest Practicable Date, the Company has 741,949,882 Shares in issue. Assuming that the Company does not issue or repurchase any Shares from the Latest Practicable Date up to and including the date of the EGM, the grant of the New General Mandate will allow the Directors to allot, issue and deal with up to 148,389,976 new Shares, representing 20% of the aforesaid total number of issued Shares. The New General Mandate is valid until whichever the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, the Companies Law of the Cayman Islands or any other applicable

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

laws of the Cayman Islands to be held; or (iii) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors under the New General Mandate.

2. Reasons for the New General Mandate

The Group, as an investment company under Chapter 21 of the Listing Rules, is principally engaged in short to medium term capital appreciation by investing in a diversified portfolio of investments in listed securities in Hong Kong. The Group is also engaged in investment in the PRC. As such, the overall performance and business operation of the Group is directly related to the fluctuations of the equity markets and changes in the global economy.

As disclosed in the interim report of the Group for the six months ended 30 June 2016 (the “**Interim Report 2016**”), the total fair value of the Group’s investments as at 30 June 2016 was approximately HK\$40.1 million (as at 31 December 2015: HK\$33.7 million). The Group recorded a negative net cash flows of approximately HK\$4.9 million. The cash and bank balance of the Group has decreased by approximately 75% from approximately HK\$6.4 million as at 31 December 2015 to approximately HK\$1.6 million as at 30 June 2016. The percentage of cash to total assets of the Group has decreased from approximately 16% as at 31 December 2015 to approximately 3.7% as at 30 June 2016. As disclosed in the Interim Report 2016, the Board will continue pursuing any good investment opportunities for the Group.

As at 31 December 2016, the Group’s cash and bank balances was approximately HK\$751,000 and the Group did not had any borrowing or debt financing. As at 31 December 2016, the Group had diversified portfolio of investments in listed securities in Hong Kong of approximately HK\$66.2 million. We note that based on the projection of the Company, in the absence of unforeseen circumstances, it is estimated that the working capital requirement for the Group for the next twelve months will be approximately HK\$11.6 million for administrative expenses of the Group, mainly comprises staff salaries of approximately HK\$6.13 million, directors’ emoluments of approximately HK\$1.32 million, investment management fee of approximately HK\$660,000 and consultancy fee of approximately HK\$720,000. Upon our discussion with the management of the Company, we are given to understand that on the assumptions that the business scale of the Group will remain as its current level and taking into account the above working capital requirement and net proceeds from the realization of investments in listed securities for supporting the Group’s working capital requirements, the Company can still maintain a positive cash position, yet at a level of less than HK\$1 million, by the end of next 12 months.

In the event that any unexpected circumstances occur prior to the Next AGM, an increase in the working capital requirement of the Group may be required. However, the projected level of liquidity and the cash position of the Group may be insufficient to cover such circumstances.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Therefore, we consider and concur with the Directors that it will be a merit for the Group to have additional working capital for its ongoing investment activities and for coping with any business challenges.

As at the Latest Practicable Date, the Company does not have any immediate plans for new issue of Shares or any concrete investment opportunity or specific business plan was under contemplation. However, the Directors consider that funding requirements or appropriate investments may arise at any time prior to the Next AGM (i.e. on or before late June 2017) which is expected to be around four months from the Latest Practicable Date and a decision may have to be made promptly or within a limited period of time particularly due to high volatility of the stock markets that the Company primarily invests in. It is important for the Group to maintain a necessary flexible fund raising capability of the Company to make prompt decisions and to solicit funding in a relatively short period of time as the interests of the Company and the Shareholders may be adversely impacted if the Company may not be able to capture any prospective investment opportunities in a timely manner. If market sentiment and activity heats up due to certain events which may occur prior to the Next AGM such as the implementation of the Shenzhen-Hong Kong Stock Connect, new investment opportunities may arise where the Company may require extra funds to capture such opportunities. In view of the nature of the principal business of the Group, the Group is required to have sufficient financial resources on hand and readily available financing alternatives in order to seize suitable opportunities which may arise from time to time to maximize Shareholders' returns. If the Existing General Mandate is not being refreshed prior to the Next AGM, the Company may only conduct equity fund raising exercise by seeking specific mandate from the Shareholders in each occasion and extra time and costs will be involved for convening a Shareholders' meeting as compared to raising fund under general mandate. The inability of the Company to issue new Shares under the Existing General Mandate will also impair the flexibility of the Company to participate in any potential transactions which may require a relatively short response time.

Unlike other businesses such as manufacturing companies where business development can be planned in advance, investment opportunities for the Company may arise from time to time and cannot always be planned ahead. Certain investment opportunities require a timely response in order to secure such opportunities before other investors. As and when such kind of investment opportunities arises, the Company will be equipped with an extra tool to raise funds for such investment under the grant of the New General Mandate.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account that (i) the Existing General Mandate has almost been fully utilised; (ii) the net proceeds, approximately HK\$33.88 million, from the Placing, had been utilised for investing in listed securities and allocated for supporting daily operating expenses; (iii) the grant of the New General Mandate would empower the Company with flexibility to allot and issue new Shares within the refreshed limit speedily as and when necessary; (iv) allotting and issuing new Shares under a specific mandate involve additional cost and requires a relatively longer time than under the general mandate for convening Shareholders' meeting in which the Company may not be able to capture any prospective investment opportunities in a timely manner; and (v) as discussed below under the section headed "4. Other financing alternatives", grant of New General Mandate will provide the Group a more cost effective, efficient and less time consuming than alternative financing methods and will enhance the Company's financial flexibility (without restricting its ability to conduct rights issue, open offer, issue of shares under specific mandate or debt financing), we concur with Director's view that the grant of the New General Mandate is fair and reasonable, and in the interest of the Company and its Shareholders as a whole as it will enable the Company to have additional alternative and flexibility in raising capital for the funding requirements or appropriate investment opportunities of the Group which may arise at any time prior to the Next AGM which is approximately four months from the Latest Practicable Date.

3. Equity fund raising activities of the Company in the past 12 months

The following table summarizes the equity fund raising activities carried out by the Company in the past 12 months immediately prior to the Latest Practicable Date:

Date of announcement	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds
12 May 2016	Placing of 50,000,000 new Shares under general mandate	HK\$28.13 million	General working capital and potential investments to be identified	Approximately HK\$25.94 million or 92.2% of the net proceeds for investment in listed securities and the remaining balance of approximately HK\$2.19 million has been allocated for supporting daily operating expenses
12 October 2016	Placing of 120,000,000 new Shares under general mandate	HK\$33.88 million	General working capital and potential investments to be identified	Approximately HK\$33 million or 97.4% of the net proceeds for investment in listed securities and the remaining balance of approximately HK\$0.88 million has been allocated for supporting daily operating expenses

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Other financing alternatives

We are advised by the Directors that apart from equity financing, the Company will also consider other financing methods such as rights issue, open offer and debt financing so as to cater its future financing requirements. It is noted that it normally takes more than three months to raise funds by rights issue or open offer and it may not allow the Company to grasp potential opportunities in a timely manner. In addition, rights issue and open offer will incur higher underwriting commission and involve extra administrative work and additional cost for the trading arrangements. Furthermore, it is crucial for the Company to solicit underwriters to provide underwriting services in conducting rights issue or open offer. It may involve lengthy discussion with potential underwriters and may result in the Group's failure for capturing prospective investment opportunities in a timely manner. Although rights issue and open offer would be offered to the Shareholders on a pro rata entitlement basis, those qualifying shareholders who choose not to take up their assured entitlements in full would have dilution to their shareholding interests in the Company. Debt financing will usually incur interest burden on the Group and may be subject to, including but not limited to, lengthy due diligence and negotiations with the banks which involve providing documents for credit evaluation procedures by the banks before entering into any debt financing agreement. The Directors are also of the view that (i) the ability of the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and the then prevailing market condition; and (ii) debt financing may require pledge of assets and/or other kind of securities which may possibly reduce the Group's flexibility in managing its portfolio and adversely affect the financial position of the Group as compared to equity financing for the Group to raise additional capital for its future investment as and when such opportunities arise. Based on the aforementioned reasons, the Directors consider debt financing to be relatively uncertain and time-consuming as compared to equity financing for the Group to obtain additional funding.

The Directors confirmed that they would exercise due and careful consideration when choosing the best financing method available to the Company. The grant of the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future business development, the Directors are of the view that the grant of the New General Mandate is in the interests of the Company and the Shareholders as a whole.

We are of the view and concur with the view of the Directors that the fund raising exercise through general mandate tends to be more cost-effective, efficient and less time consuming as compared to other means of fund raising methods (such as rights issue, open offer and debt financing) and will enhance the Company's flexibility to raise capital to satisfy the financial needs as and when it arises.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Potential dilution on shareholdings

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) upon full utilisation of the New General Mandate (assuming no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to and including the date of the EGM), for illustrative and reference purpose:

Name of Shareholders	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Li Denian (<i>Note</i>)	167,010,000	22.51%	167,010,000	18.76%
Public Shareholders	574,939,882	77.49%	574,939,882	64.57%
Shares to be issued under the New General Mandate	–	–	148,389,976	16.67%
Total	<u>741,949,882</u>	<u>100.00%</u>	<u>890,339,858</u>	<u>100.00%</u>

Note: Mr. Li Denian held (i) 77,770,000 Shares in his own capacity and (ii) 89,240,000 Shares through Dragon Metro Limited, a company incorporated in the Republic of Seychelles and is wholly-owned by Mr. Li Denian.

Upon full utilisation of the New General Mandate, 148,389,976 Shares will be issued, representing 20% of the total number of issued Shares as at the Latest Practicable Date and approximately 16.67% of the total number of issued Shares as enlarged by the Shares issued under the New General Mandate. Assuming that the Company does not issue and/or repurchase any Shares from the Latest Practicable Date up to and including the date of the EGM, the aggregate shareholding of the public Shareholders will decrease from approximately 77.49% as at the Latest Practicable Date to approximately 64.57% upon full utilisation of the New General Mandate, representing a potential maximum dilution in public shareholding by approximately 16.67%. If the New General Mandate is granted and fully utilised, it may result in a cumulative dilution effect of approximately 35.76% in the shareholding of the public Shareholders as enlarged by the issue of new Shares under the New General Mandate and the fund raising activities conducted by the Company in the past 12 months immediately prior to the Latest Practicable Date. Although the grant of the New General Mandate and the fund raising activities of the Company in the past twelve month period as listed under the section headed “Equity fund raising activities of the Company in the past 12 months” will cause/have caused dilution in the Shares, the Board will be able to respond to the market and investment opportunities promptly because such a fund raising exercise pursuant to a general mandate provides the Company a more simple and less lead time process than other types of fund raising exercises and avoid the uncertainties and circumstances where a specific mandate may not be obtained in a timely manner.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account that the grant of the New General Mandate (i) will allow the Company to raise capital to satisfy its working capital or other financing requirements which may arise at any time by allotment and issuance of new Shares before the Next AGM which is expected to be held around four months from the Latest Practicable Date; (ii) will provide more flexibility and options of financing to the Group for its operation and for further business development as well as for other potential future investments as and when such opportunities arise; (iii) will provide the Company with an additional financing alternative other than debt financing, pro-rata equity financing and equity financing under specific mandate; (iv) given that the Company is an investment company, its business nature is investment which needs prompt reaction to the fast paced capital markets in order to seize any investment opportunities when they arise. In this connection, the above flexibility is crucial to the Group and outweigh the dilution effect of the existing Shareholders as the Company is able to respond in a timely and effective manner to take advantages of any material investment opportunities for the benefit of the Company and its Shareholders as a whole; and (v) the shareholding interests of all the Shareholders will be diluted in proportion to their respective shareholdings upon any utilisation of the New General Mandate, we consider such potential dilution to shareholdings of the public Shareholders to be acceptable.

RECOMMENDATION

Having considered the factors and reasons as stated above, we are of the opinion that the grant of the New General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the grant of the New General Mandate.

Yours faithfully,
For and on behalf of
Akron Corporate Finance Limited
Ross Cheung
Managing Director

NOTICE OF EGM



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)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting of China Financial Leasing Group Limited (the “**Company**”) will be held at Room 2202, 22/F, 118 Connaught Road West, Hong Kong on Monday, 6 March 2017 at 11:00 a.m. for the following purposes:

1. “**THAT**, to the extent not already exercised, the mandate to allot, issue and deal with shares of the Company given to the Directors at the annual general meeting of the Company held on 25 May 2016 be and is hereby revoked and replaced by the mandate **THAT**:
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors of the Company (the “**Directors**”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with new shares in the capital of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period (as defined below) to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period (as defined below);
 - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (the “**Articles**”) of the Company in

* For identification purpose only

NOTICE OF EGM

force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of: 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution;

- (d) for the purposes of this resolution:

“Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Law of the Cayman Islands or any other applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

For and on behalf of the Board
China Financial Leasing Group Limited
Wong Ka Shing
Company Secretary

Hong Kong, 17 February 2017

NOTICE OF EGM

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorised, and must be deposited with the Hong Kong share registrar of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time fixed for holding of the Meeting.
4. As at the date of this notice, the board of Directors of the Company comprises Mr. Jim Ka Shun as executive Director, Mr. Gan Wei Ping, Mr. Yip Ming, Mr. Lau Siu Hang and Mr. Tsang Chung Sing Edward as independent non-executive Directors.