
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.

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CHINA FINANCIAL LEASING GROUP LIMITED

中國金融租賃集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2312)

PROPOSED SHARE CONSOLIDATION, PROPOSED CHANGE IN BOARD LOT SIZE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the extraordinary general meeting of the Company to be held at 11/F., Wui Tat Centre, 55 Connaught Road West, Hong Kong on Friday, 20 August 2021 at 11:00 a.m. (the “EGM”), at which, among other things, the above proposals will be considered, is set out on pages 24 to 26 of this circular.

Whether or not you intend to attend and/or vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s share registrar in Hong Kong, Tricor Tengis Limited at Level 54, 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.

PRECAUTIONARY MEASURES FOR EGM

Due to the constantly evolving COVID-19 pandemic situation, the Company may need to take certain precautionary measures at the venue of the EGM to ensure the safety of attendees, including (but not limited to) requiring all attendees to have body temperature check and wear face masks. In addition, no refreshments will be served and no corporate gift will be distributed at the EGM. The Company reserves the right to deny admission to the EGM venue if any person does not comply with the precautionary measures to be taken at the extraordinary general meeting or such person is subject to any the Government of the Hong Kong Special Administrative Region prescribed quarantine.

* For identification purpose only

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DEFINITIONS

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

“Articles”	the articles of association of the Company as may be amended from time to time
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted, “extreme condition” caused by super typhoons or on which a “black” rainstorm warning is issued between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Existing Shares of par value of HK\$0.02 each to 10,000 Consolidated Shares of par value of HK\$0.2 each
“Company”	China Financial Leasing Group Limited, a company incorporated in the Cayman Islands with limited liability and Shares of which are listed on the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$0.2 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the Share Consolidation
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.02 each in the existing share capital of the Company before the Share Consolidation becoming effective

DEFINITIONS

“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	26 July 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Net Asset Value”	the net asset value of the Company calculated in accordance with the provisions of the Articles
“PRC”	the People’s Republic of China
“Region”	the Asian Pacific region, mainly Greater China, member countries of Association of Southeast Asian Nations (including Brunei Darussalam, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam) and Japan
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong)
“Share(s)”	the Existing Share(s) or as the context may require, the Consolidated Share(s)
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares of par value of HK\$0.02 each in the share capital of the Company into one (1) Consolidated Share of par value of HK\$0.2 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the issued Shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

EXPECTED TIMETABLE

The expected timetable for the proposed Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

2021

Latest time for lodging transfers of shares in order to
qualify for attendance and voting at the EGM 4:30 p.m. on
Monday, 16 August

Register of members closes (both days inclusive) Tuesday, 17 August to
Friday, 20 August

Record date for attendance and voting at the EGM Friday, 20 August

Latest time for lodging forms of proxy for the EGM 11:00 a.m. on
Wednesday, 18 August

Date and time of the EGM 11:00 a.m. on
Friday, 20 August

Publication of the announcement of the results of the
EGM Friday, 20 August

**The following events are conditional on the fulfillment of the conditions for the
implementation of the Share Consolidation as set out in this announcement.**

Effective date of the Share Consolidation Tuesday, 24 August

First day of free exchange of existing share certificates
for new share certificates for Consolidated Shares. Tuesday, 24 August

Dealing in the Consolidated Shares commences 9:00 a.m. on
Tuesday, 24 August

Original counter for trading in the Existing Shares in
board lots of 20,000 Existing Shares (in the form of
existing share certificates) temporarily closes 9:00 a.m. on
Tuesday, 24 August

Temporary counter for trading in the Consolidated
Shares in board lots of 2,000 Consolidated Shares
(in the form of existing share certificates) opens 9:00 a.m. on
Tuesday, 24 August

EXPECTED TIMETABLE

Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates for the Consolidation Shares) re-opens	9:00 a.m. on Tuesday, 7 September
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Tuesday, 7 September
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on Tuesday, 7 September
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Tuesday, 28 September
Temporary counter for trading in the Consolidated Shares in board lots of 2,000 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Tuesday, 28 September
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidation Shares and existing share certificates) ends.	4:10 p.m. on Tuesday, 28 September
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Thursday, 30 September

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 Directors

Mr. CHIU Wai Lap

Mr. LUI Cheuk Hang Henri

Non-executive Directors

Mr. LIU Hailong (*Chairman*)

Mr. XIAO Shen

Independent Non-executive Directors

Mr. WANG Ruiyang

Mr. LAM Wai Tsin

Mr. LUK Chi Shing

Mr. HUI Yat On

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:*

11/F., Wui Tat Centre

55 Connaught Road West

Hong Kong

30 July 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED SHARE CONSOLIDATION,
PROPOSED CHANGE IN BOARD LOT SIZE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 12 July 2021 in relation to, among other matters, the proposed Share Consolidation and Change in Board Lot Size. The purpose of this circular is to provide you with more information regarding the proposed Share Consolidation, proposed Change in Board Lot Size and the notice of EGM.

* For identification purpose only

LETTER FROM THE BOARD

PROPOSED SHARE CONSOLIDATION

The Board proposes that every ten (10) issued and unissued Existing Shares of par value of HK\$0.02 each in the share capital of the Company be consolidated into one (1) Consolidated Share of par value of HK\$0.2 each.

Effects of the Share Consolidation

As at the Latest Practicable Date, there are 2,312,649,882 Existing Shares of par value of HK\$0.02 each in issue which are fully paid or credited as fully paid. Assuming no further Shares will be issued from the Latest Practicable Date up to the date of the EGM, upon the Share Consolidation becoming effective, there will be 231,264,988 Consolidated Shares of par value of HK\$0.2 each in issue which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders.

Conditions of the Share Consolidation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

The Share Consolidation is expected to become effective on Tuesday, 24 August 2021 subject to the fulfilment of the above conditions.

As at the Latest Practicable Date, none of the above conditions has been fulfilled.

Listing Application

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares or any debt securities of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, the Company has no other outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lots of 20,000 Existing Shares of par value of HK\$0.02 each. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 20,000 Existing Shares of par value of HK\$0.02 each to 10,000 Consolidated Shares of par value of HK\$0.2 each.

Based on the closing price of HK\$0.032 per Existing Share as quoted on the Stock Exchange as at the Latest Practicable Date, the value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation had already become effective, would be HK\$3,200.

LETTER FROM THE BOARD

REASONS FOR THE PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 (the “Guide”) has further stated that market price of the shares at a level less than HK\$0.1 will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules. It has also stated in the Guide that taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

Since 24 August 2020, the closing prices of the Shares were trading below HK\$0.1 and were trading at under HK\$2,000 per board lot. The proposed Share Consolidation will bring a corresponding upward adjustment in the trading price of the Company and enable the Company to increase the market price as well as each board lot value of the Shares so as to comply with the requirements under the Listing Rules and the Guide.

Save for the necessary professional expenses for the implementation of the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operation, management or financial position of the Company and the proportionate interests and rights of the Shareholders. The Board considers that the Share Consolidation and the Change in Board Lot Size is appropriate and can reduce the proportionate transaction costs and charges for securities trading in this board lot value and can improve the trading liquidity of the Consolidated Shares, thereby attracting more investors and widening the shareholder base.

The Board considers that the Share Consolidation is essential to achieve the above-mentioned purpose. Taking into account of the potential benefits and the insubstantial amount of costs to be incurred, the Board is of the view that the Share Consolidation and the Change in Board Lot Size and the transactions contemplated thereunder are in the best interest of the Company and the Shareholders as a whole.

As at the date of this circular, the Company has no intention to carry out other corporate actions in the next 12 months which may affect the trading in the Shares, and the Company does not have any concrete plan to conduct any fund-raising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund-raising opportunities arise in order to support future development of the Company. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

LETTER FROM THE BOARD

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares (if any) will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of Consolidated Shares, the Company has appointed Supreme China Securities Limited as an agent to provide matching services on a best-efforts basis regarding the sale and purchase of odd lots of the Consolidated Shares from Tuesday, 7 September 2021 to Tuesday, 28 September 2021 (both days inclusive). Shareholders should note that matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder who is in any doubt about the odd lots arrangement is recommended to consult his/her/its own professional advisers. Shareholders who wish to take advantage of this service should contact Mr. Koo Siu Tong of Supreme China Securities Limited at telephone number (+852) 3898 1822 during office hours of such period.

Exchange of certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be Tuesday, 24 August 2021, Shareholders may on or after Tuesday, 24 August 2021 and until Thursday, 30 September 2021 (both days inclusive), submit their existing share certificates in blue colour for the Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for exchange for share certificates in red colour for the Consolidated Shares at the expense of the Company.

It is expected that the new share certificates for the Consolidated Shares will be available for collection within 10 Business Days after submission of the existing share certificates to the Company's branch share registrar and transfer office in Hong Kong for exchange.

Shareholders should note that after the prescribed time for free exchange of share certificates, a fee of HK\$2.50 (or such higher amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the share registrar for exchange of share certificates.

After close of business on Tuesday, 28 September 2021, trading will only be in Consolidated Shares which share certificates will be issued in red colour. Existing share certificates in blue colour for the Existing Shares will cease to be valid for trading and settlement purpose, but will remain valid and effective as documents of title.

LETTER FROM THE BOARD

EGM

A notice convening the EGM to be held at 11/F., Wui Tat Centre, 55 Connaught Road West, Hong Kong on Friday, 20 August 2021 at 11:00 a.m. is set out on pages 24 to 26 of this circular.

ACTION TO BE TAKEN

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.cflg.com.hk. Whether or not you are able to attend the EGM in person, you are requested to complete and sign the 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 Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 54, 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 appointed for the holding of the EGM or any adjourned meeting thereof (as the case may be). 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 thereof (as the case may be) should you so wish and in such event, your appointment of proxy under any proxy form shall be deemed to be revoked.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all the resolution(s) proposed at the EGM will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every Share held which is fully paid or credited as fully paid.

After the conclusion of the EGM, the poll vote results will be published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk and the website of the Company at www.cflg.com.hk.

RECOMMENDATION

The Directors consider that the proposed Share Consolidation is in the best interests of the Group and the Shareholders as a whole. Accordingly, the Directors recommend you to vote in favour of the ordinary resolution to be proposed at the EGM.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 17 August 2021 to Friday, 20 August 2021 (both days inclusive), during which period no transfer of Shares of the Company will be registered. In order to qualify for attending and voting at the meeting, all transfers of Shares of the Company accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, 16 August 2021.

RESPONSIBILITY STATEMENT

This circular, for which the Directors, as well as the director of the Investment Manager, collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, as well as the director of the Investment Manager, having made all reasonable enquiries, 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.

MISCELLANEOUS

This circular is in English and Chinese. In case of any inconsistency, the English version shall prevail.

Yours faithfully,
By order of the Board
China Financial Leasing Group Limited
Liu Hailong
Chairman

This appendix includes particulars given in compliance with the Listing Rules for the purpose of giving information to the public with regard to the Company.

INFORMATION ON THE INVESTMENT MANAGER

(a) The information of the investment manager

The investment manager, namely Avia Asset Management Limited (the “**Investment Manager**”), is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities under the SFO. The address of the Investment Manager is Unit 9A, Fortis Tower, 77–79 Gloucester Road, Wanchai, Hong Kong.

(b) The full name and address of the director of the Investment Manager:

Name	Address
Mr. Chiu Wai Lap (“ Mr. Chiu ”)	Unit 9A, Fortis Tower 77–79 Gloucester Road Wanchai Hong Kong

(c) Profiles of the director of the Investment Manager

Mr. Chiu, is an executive Director. The particulars of Mr. Chiu are set out on page 21 of this circular.

(d) Fees payable to the Investment Manager

The maximum aggregate fee payable by the Company to the Investment Manager under the investment management agreement is investment management fee of HK\$400,000 per annum and reimbursement for all out-of-pocket expenses properly incurred in the proper performance of Investment Manager’s duties under the investment management agreement.

Custodian

UOB Kay Hian (Hong Kong) Limited at 6/F., Harcourt House, 39 Gloucester Road, Hong Kong, Kingston Securities Limited at 72/F., The Centre, 99 Queen’s Road Central, Central, Hong Kong and Supreme China Securities Limited at Suite 2701–3, 27/F., Everbright Centre, No. 108 Gloucester Road, Wanchai, Hong Kong were appointed as the custodians (the “**Custodians**”) of the Company in relation to the investments which the Company may from time to time deposit with the Custodians.

The Directors confirm that none of the Directors, the Investment Manager, any investment adviser or any distribution company, or any associate of any of those persons, is or will become entitled to receive any part of any brokerage charged to the Company, or any re-allowance of other types on purchases charged to the Company.

SPECIFIC RISKS RELATING TO THE COMPANY

The Company is an investment company and its funds will be invested in listed and unlisted companies in Hong Kong, PRC and other main markets around the world. These investments will be subject to market fluctuations and to the risks inherent in all investments. Investors should also be aware that the Company's income and its Net Asset Value are liable to be adversely affected by external factors beyond the control of the Company. As a result, income of the fund and its Net Asset Value may therefore go down as well as go up, subject to the prevailing market conditions.

INVESTMENT OBJECTIVES AND POLICIES

The Company is an investment company with the principal investment objective of achieving short to medium term (i.e. less than one year to five years) capital appreciation by mainly investing in a diversified portfolio of investments in listed and unlisted companies in the Region.

The Company has adopted the following investment policies:

- (i) the Company's investments will normally be made in the form of equity or equity related securities and/or debt securities in listed and unlisted companies engaged in different industries including (but not limited to) information technology, manufacturing, life sciences and environmental services, telecommunications, infrastructure, pharmaceuticals and property sectors aiming at maintaining a balance in the Company's exposure to different industries sectors in order to minimize the impact on the Company of any downturn in any particular sector;
- (ii) the Company may invest in other fields in which the Board believes that there are prospects of earnings growth and/or capital appreciation. In particular, the Company will seek to identify businesses or entities with a potential or record of profit growth, strong management, high levels of technical expertise and research and development capabilities as well as management commitment to the long-term growth of such companies;
- (iii) the Company may invest in companies or other entities which are considered by the Board and/or the Investment Manager as being special or in recovery situations on a case by case basis (e.g., the Company may invest in companies under restructuring or liquidation), which may have extensive growth in shorter period and provide attractive returns;

- (iv) up to a maximum of 90% of the Group's assets can be invested in:
 - (a) equity securities, convertible notes, preference shares, options, warrants or debt securities issued by listed companies;
 - (b) equity securities, convertible notes, preference shares, options, warrants or debt securities issued by unlisted companies in the Region; and
 - (c) options and futures which are traded on recognized securities or futures exchanges for trading and hedging purposes;
- (v) the Board and the Investment Manager will, where possible, seek to identify investments where there is a certain degree of synergy with other investee companies and where co-operation between such companies would be of mutual benefit to each other;
- (vi) the Company's investments are intended to be held for short to medium term (i.e. less than one year to five years) capital appreciation. Subject to the foregoing, the Company will realise investments from time to time where to do so is in the opinion of the Board to be in the best interests of the Company or where the terms on which such realisation can be achieved are in the opinion of the Board to be particularly favourable to the Company;
- (vii) before suitable investment projects are identified, the Company may seek to protect the capital value of the Company's cash assets by placing the same in bank deposits in any currency, bonds, treasury securities issued by the government of the United States or the government of Hong Kong or their respective agencies or securities or other instruments denominated in any currency issued by various governments or international development agencies;
- (viii) before suitable investment projects are identified, the Company may enter into forward interest rate agreements, forward currency agreements, interest rates and bond futures contracts and interest rate swaps and purchase and write (sell) put or call options on interest rates and put or call options on futures on interest rates; and
- (ix) a minimum of 10% of the Group's assets will be maintained in cash or cash equivalents.

Investors should note that while it is the intention of the Company to invest its funds in accordance with the investment objectives and policies outlined above as far as practicable, due to market and other investment considerations, it may take some time before the funds of the Company are fully invested. The Company currently has no intention to change the investment objectives and policies. However, Shareholders should note that the investment objectives and policies can be changed by the Company without approval from the Shareholders.

INVESTMENT RESTRICTIONS

Under the Articles and the Listing Rules relating to the listing of investment companies, certain restrictions on investments are imposed on the Company. To abide by such restrictions, the Board has resolved that the Company may not:

- (i) either itself or through its wholly owned subsidiaries, if any, or in conjunction with any connected person (as defined in the Listing Rules) take legal, or effective, management control of underlying investments and in no event will the Company itself or through its wholly-owned subsidiaries, if any, own or control more than 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) of the voting rights in such company or other entity, except in relation to such wholly-owned subsidiaries of the Company formed solely for the purpose of investment holding; and
- (ii) invest in any company or entity other than wholly-owned subsidiaries of the Company if such investment will result in more than 20% of the Net Asset Value being invested in such company or entity as at the date the investment is made in such company or entity.

The Company has to comply with investment restrictions (i) and (ii) above at all times while it remains listed as an investment company under Chapter 21 of the Listing Rules, and these restrictions are also contained in the Articles and any change of such is subject to Shareholders' approval.

The Board has no present intention to change any of the above-mentioned investment restrictions.

BORROWING POWER

Pursuant to the Articles, the Company may exercise its borrowing power to borrow up to an aggregate principal amount representing not more than 50% of the latest available Net Asset Value at the time the borrowing is made. In the event that the borrowing should exceed 50% of the latest available Net Asset Value, the Company must obtain prior approval of the Shareholders at a general meeting. The Company's assets may be charged or pledged as security for borrowings. Subject to the provisions of the memorandum of association, the Articles and the investment management agreement entered with the Investment Manager, the Company may from time to time borrow for the purposes of providing liquidity or taking advantage of investment opportunities.

DISTRIBUTION POLICY

Interest income, dividend income and other incomes of the Company will be used first to meet expenses. The Investment Manager will then assess whether it is reasonable to make provisions for future expenses and/or any possible impairment of investments, and will consider the amount of cash which should be retained by the Company for future investments. It is the Board's intention to distribute any surplus by way of dividend to the

extent permitted by law and the Articles. Dividends will only be paid to the extent that they are covered by net income received from underlying investments. Distributions (if any) will be made annually after the annual audited financial statements of the Company are approved by the Shareholders at the annual general meeting but interim distributions may be made from time to time to the Shareholders if it appears to the Board to be justified by the financial position of the Company. Distributions by way of cash dividends will be made in Hong Kong Dollars.

FOREIGN CURRENCY MANAGEMENT

As at the Latest Practicable Date, the Company did not have investment which denominated in foreign currencies. In the event that the Company's investments denominated in currencies other than Hong Kong Dollars, the Company may expose to the risk relating to exchange rate fluctuations. The Company will keep monitor if such possible risk arise and take prudent measures such as using forward or hedging contracts to manage the associated foreign currency risk.

TAXATION

The taxation of income and capital gains of the Company are subject to the fiscal law and practice of Hong Kong. Prospective investors should consult their own professional advisers on the tax implications of investing, holding or disposing of Shares under the laws of the jurisdiction in which they are liable to taxation.

FEES AND EXPENSES

The Company will pay certain other costs and expenses incurred in its operation, including taxes, expenses for legal, auditing and consulting services, promotional expenses, registration fees and other expenses due to supervisory authorities in various jurisdictions, insurance, interest and brokerage cost.

INVESTMENT PORTFOLIO

As at 31 December 2020

The following are the details of the ten largest investments of the Group as at 31 December 2020, which include all listed investments with a value of more than 5% of the Group's gross assets as at 31 December 2020. Save for the investments disclosed herein, there are no other listed investments and other investments with a value of more than 5% of the Company's gross assets as at 31 December 2020.

Name of investee company	Number of shares held	Effective shareholding interest <i>Approximate %</i>	Investment cost <i>HK\$'000</i>	Market value/fair value as at 31 December 2020 <i>HK\$'000</i>	Unrealised holding gains/(losses) arising on valuation <i>HK\$'000</i>	Net assets/ (liabilities) attributable to the Company <i>HK\$'000</i>	Dividend/ interest received <i>HK\$'000</i>
<i>Listed equity securities</i>							
(a) Hing Ming Holdings Limited ("Hing Ming")	16,464,000	4.12%	18,249	25,025	6,776	5,216	—
(b) ISP Global Limited ("ISP Global")	11,130,000	1.39%	10,486	20,813	10,327	1,213	—
(c) Miji International Holdings Limited ("Miji International")	38,870,000	2.59%	6,362	7,385	1,023	5,212	—
(d) RMH Holdings Limited ("RMH Holdings")	24,896,000	4.15%	12,242	8,589	(3,653)	1,346	—
(e) C&N Holdings Limited ("C&N Holdings")	12,110,000	1.89%	5,694	2,459	(3,235)	2,200	—
(f) National Investments Fund Limited ("National Investments Fund")	19,560,000	2.14%	3,550	861	(2,689)	(1,523)	—
(f) Rights issue of National Investments Fund	97,800,000	N/A	N/A	978	978	N/A	N/A
(g) LHN Limited ("LHN")	1,288,000	Less than 1%	1,277	1,314	37	2,204	54
(h) Golden Ponder Holdings Limited ("Golden Ponder")	5,860,000	Less than 1%	1,181	873	(308)	1,276	59
(i) WAC Holdings Limited ("WAC")	10,078,000	1.05%	20,168	3,477	(16,691)	722	—
(j) Pacific Legend Group Limited ("Pacific Legend")	14,100,000	1.41%	849	860	11	1,257	—

Principal activities of the investee companies

- (a) Hing Ming is principally engaged in (i) providing rental services of temporary suspended working platforms and other equipment, mainly including tower cranes and generators; and (ii) trading of equipment and spare parts, mainly including permanent suspended working platforms, motors and wire rope. The audited consolidated profit attributable to owners of Hing Ming for the year ended 31 March 2020 was approximately HK\$1,104,000 (2019: HK\$6,235,000). As at 31 March 2020, the audited consolidated net asset value attributable to owners of Hing Ming was approximately HK\$119,810,000 (2019: HK\$118,706,000). The unaudited consolidated profit attributable to owners of Hing Ming for the six months ended 30 September 2020 was approximately HK\$6,917,000 (2019: HK\$3,649,000). As at 30 September 2020, the unaudited consolidated net asset value attributable to owners of Hing Ming was approximately HK\$126,727,000 (2019: HK\$122,355,000).
- (b) ISP Global is principally engaged in the sales, installation and maintenance of sound and communication system solutions and alert alarm systems in Singapore. The audited consolidated profit attributable to owners of ISP Global for the year ended 30 June 2020 was approximately HK\$1,602,000 (2019: HK\$583,000). As at 30 June 2020, the audited consolidated net asset value attributable to owners of ISP Global was approximately HK\$82,783,000 (2019: HK\$84,463,000). The unaudited consolidated loss attributable to owners of ISP Global for the six months ended 31 December 2020 was approximately HK\$241,000 (2019: HK\$332,000). As at 31 December 2020, the unaudited net asset value attributable to owners of ISP Global was approximately HK\$87,204,000 (2019: HK\$84,894,000).
- (c) Miji International is principally engaged in the development, manufacturing and selling of kitchen appliances in the PRC. The audited consolidated loss (2019: profit) attributable to owners of Miji International for the year ended 31 December 2020 was approximately HK\$23,762,000 (2019: HK\$21,271,000). As at 31 December 2020, the audited consolidated net asset value attributable to owners of Miji International was approximately HK\$201,132,000 (2019: HK\$212,162,000).
- (d) RMH Holdings is principally engaged in the provision of specialty care services for a variety of dermatological conditions by utilising medical, surgical, laser and aesthetic treatments in Singapore. The audited consolidated loss (2019: profit) attributable to owners of RMH Holdings for the year ended 31 December 2020 was approximately HK\$52,162,000 (2019: HK\$908,000). As at 31 December 2020, the audited consolidated net asset value attributable to owners of RMH Holdings was approximately HK\$32,434,000 (2019: HK\$85,265,000).
- (e) C&N Holdings is principally engaged in the provision of transport and storage services to the logistics industry in Singapore. The audited consolidated loss attributable to owners of C&N Holdings for the year ended 31 December 2020 was approximately HK\$4,565,000 (2019: HK\$5,631,000). As at 31 December 2020, the audited consolidated net asset value attributable to owners of C&N Holdings was approximately HK\$116,266,000 (2019: HK\$119,352,000).

- (f) National Investments Fund is principally engaged in investments in a diversified portfolio of listed and unlisted companies. The audited consolidated loss attributable to owners of National Investments Fund for the year ended 31 December 2019 was approximately HK\$25,043,000. As at 31 December 2019, the audited consolidated shareholders' deficit of National Investments Fund was approximately HK\$51,990,000. The unaudited consolidated loss attributable to owners of National Investments Fund for the six months ended 30 June 2020 was approximately HK\$15,262,000 (2019: HK\$26,145,000). As at 30 June 2020, the unaudited consolidated shareholder's deficit of National Investments Fund was approximately HK\$71,229,000 (2019: HK\$43,927,000).

On 8 December 2020, National Investments Fund approved a rights issue on the basis of 5 rights shares for every 1 share at a subscription price of HK\$0.035 per rights shares. As at 31 December 2020, rights to subscribe for 97,800,000 rights shares were granted to the Company and fair value was approximately HK\$978,000. The rights lapsed on 8 January 2021.

On 19 March 2020, National Investments Fund received a winding up petition from an individual on the ground that National Investments Fund was unable to pay its debts. On 8 February 2021, National Investments Fund was ordered to be wound up by the High Court of Hong Kong pursuant to the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong). On the same date, trading in National Investments Fund's shares have been suspended.

- (g) LHN is principally engaged in (i) space resource management services; (ii) facilities management services; and (iii) logistics services. The audited consolidated profit attributable to owners of LHN for the year ended 30 September 2020 was approximately HK\$135,731,000 (2019: HK\$46,930,000). As at 30 September 2020, the audited consolidated net asset value attributable to owners of LHN was approximately HK\$688,610,000 (2019: HK\$541,215,000).
- (h) Golden Ponder is principally engaged in the provision of superstructure building and repair, maintenance, alteration and addition works service as a main contractor in Hong Kong. The audited consolidated loss (2019: profit) attributable to owners of Golden Ponder for the year ended 31 March 2020 was approximately HK\$2,051,000 (2019: HK\$16,824,000). As at 31 March 2020, the audited consolidated net asset value attributable to owners of Golden Ponder was approximately HK\$188,271,000 (2019: HK\$190,322,000). The unaudited consolidated loss attributable to owners of Golden Ponder for the six months ended 30 September 2020 was approximately HK\$6,015,000 (2019: HK\$2,276,000). As at 30 September 2020, the unaudited consolidated net asset value attributable to owners of Golden Ponder was approximately HK\$174,256,000 (2019: HK\$188,046,000).
- (i) WAC is principally engaged in provision of comprehensive structural and geotechnical engineering consultancy services. The audited consolidated loss attributable to owners of WAC for the year ended 31 March 2020 was approximately HK\$6,964,000 (2019: HK\$419,000). As at 31 March 2020, the audited consolidated net asset value

attributable to owners of WAC was approximately HK\$63,904,000 (2019: HK\$70,948,000). The unaudited consolidated profit (2019: loss) attributable to owners of WAC for the six months ended 30 September 2020 was approximately HK\$4,994,000 (2019: HK\$2,580,000). As at 30 September 2020, the unaudited consolidated net asset value attributable to owners of WAC was approximately HK\$68,804,000 (2019: HK\$68,276,000).

- (j) Pacific Legend is principally engaged in (i) sale of home furniture and accessories; (ii) leasing of home furniture and accessories; and (iii) provision of design consultancy services for fitting out interiors with furnishings. The audited consolidated loss attributable to owners of Pacific Legend for the year ended 31 December 2020 was approximately HK\$43,830,000 (2019: HK\$7,802,000). As at 31 December 2020, the audited consolidated net asset value attributable to owners of Pacific Legend was approximately HK\$89,116,000 (2019: HK\$132,428,000).

PROVISION FOR DIMINUTION

Given all the existing investments of the Company are primarily financial assets at fair value though profit and loss and debt instruments at fair value though other comprehensive income, there shall be no provision for diminution in value of investments of the Company as at 31 December 2020.

On 8 February 2021, National Investments Fund was ordered to be wound up by the High Court of Hong Kong in HCCW 67/2020 pursuant to the provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32, Laws of Hong Kong) and the Official Receiver by virtue of her office becomes the Provisional Liquidator of National Investments Fund. On the same date, trading in National Investments Fund's share has been suspended and the book carrying value of the company invested in National Investments Fund was approximately HK\$449,000. The Company had made full provision for diminution in value of investment cost of approximately HK\$3,550,000 in National Investments Fund as at the date of this Circular.

PARTICULARS OF DIRECTORS**Executive Directors**

Mr. Chiu, aged 37, was appointed as executive Director on 1 January 2021, Mr. Chiu is a holder of Bachelor of Business Administration in Finance from The Hong Kong University of Science and Technology in 2006. Mr. Chiu has over 14 years of relevant experience in financial industry, including business development and management, fund operations, asset allocation, portfolio management and investment advisory, etc. Mr. Chiu is a responsible officer of Avia Asset Management Limited, which is the investment manager of the Company and a company licensed to carry out Type 4 (advising in securities) and Type 9 (asset management) regulated activities under SFO.

Mr. Lui Cheuk Hang Henri (“Mr. Lui”), age 48, was appointed as executive Director on 9 April 2021. Mr. Lui obtained his Bachelor of Commerce degree from University of Toronto in 1995. Mr. Lui is also a charter holder of Chartered Financial Analyst since 2001. Mr. Lui has over 25 years of experiences in the securities and financial industry, serving various roles as financial analyst, responsible officer in brokerage house and asset management firms. Mr. Lui is a responsible officer of Socius Asset Management Limited, a company licensed to carry out Type 4 (advising in securities) and Type 9 (asset management) regulated activities under SFO.

Non-executive Directors

Mr. Liu Hailong (“Mr. Liu”), aged 50, was appointed as non-executive Director and chairman of the board of Directors on 3 January 2020. Mr. Liu possessed years of experience in electronic sales, special electronic commerce operation and management. Mr. Liu is currently the chairman of the boards of directors of 安徽大運亨通電子商務股份有限公司 and 安徽天圓地方電子商務股份有限公司. Mr. Liu is mainly responsible for, including but not limit to, operation, management, financial, merchant and administration. Mr. Liu has been a chairman of the board of directors of 六安國鷹電子銷售有限公司 from January 2004 to December 2013. Mr. Liu was appointed as council member of Asia-Pacific Financial Council from October 2015 to October 2016, and vice officer of 安徽省創業創新企業家論壇組委員電商委員會 since 2018. Mr. Liu is currently a chairman of the board of directors of China Electronics Holdings Inc., a company listed on Nasdaq with ticker symbol “CEHD”.

Mr. Xiao Shen (“Mr. Xiao”), aged 56, was appointed as non-executive Director on 15 September 2020. Mr. Xiao graduated under a MBA programme in Renmin University of China. Mr. Xiao previously served as the general manager and executive director of 深圳市銀聯投資顧問有限公司 (Shenzhen Yinlian Investment Advisor Co., Ltd.*) and is currently the general manager and executive director of 深圳市建同置業有限公司 (Shenzhen Jiantong Estate Co., Ltd.*), the general manager and executive director of 深圳市建同房地產開發有限公司 (Shenzhen Jiantong Real Estate Development Co., Ltd.*), the chairman and general manager of 深圳市水榭香蜜房地產開發有限公司 (Shenzhen Shuixie Xiangmi Real Estate Development Co., Ltd.*), the chairman of 深圳市深越投資有限公司 (Shenzhen Shen Yue

* For identification only

Investment Co., Ltd.*) and a director of 正大資產管理(深圳)有限公司 (Zhengda Asset Management (Shenzhen) Co., Ltd.*). Mr. Xiao was the non-executive director of Lamtex Holdings Limited, a company listed on the main board of the Stock Exchange (stock code: 1041) from April 2019 to March 2020. Mr. Xiao has years of extensive experience in the fields of real estate and investment management and excellent executive capacity in asset reorganization and merger and acquisition.

Independent non-executive Directors

Mr. Wang Ruiyang (“**Mr. Wang**”), aged 33, was appointed as independent non-executive Director on 3 September 2018. Mr. Wang obtained a Bachelor’s degree in Biological Engineering from Zhejiang Gongshang University in 2010. Mr. Wang has experience in human resources, administration, financial management and sales experience. Mr. Wang has been a sale manager of 廣州順舟物流有限公司 (Guangzhou Shunzhou Logistics Co., Limited*) from July 2010 to January 2016 and statutory representative of 温州杭辰工藝禮品有限公司 (Wenzhou Hangchen Crafts Co., Limited*) from March 2016 to January 2018. Mr. Wang is currently an executive director of 美哈國際實業(深圳)有限公司 (Meehaa International Industry (Shenzhen) Co., Limited*) since March 2018.

Mr. Lam Wai Tsin (“**Mr. Lam**”), aged 39, was appointed as independent non-executive Director on 23 November 2020. Mr. Lam is a holder of Bachelor of Engineering in Civil and Environmental Engineering from The Hong Kong Polytechnic University in 2003 and Master of Finance from The University of Hong Kong in 2007. Mr. Lam is currently a licensed person and a responsible officer to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. Mr. Lam has approximately 13 years of relevant experience in financial industry, including provides brokerage, asset management and investment advisory service. Mr. Lam is the type 4 (advising on securities) and type 9 (asset management) responsible officer of Chung Sun Asset Management Limited (“**Chung Sun**”) since November 2016 and responsible for the investment portfolio management. Chung Sun is a licensed corporation under the SFO with regulated activities type 4 (advising on securities) and type 9 (asset management) to provide advising on securities, asset management and investment advisory service to the clients.

Mr. Luk Chi Shing (“**Mr. Luk**”), aged 51, was appointed as independent non-executive Director on 10 December 2020. Mr. Luk graduated from City University of Hong Kong in 1993, with a Bachelor of Arts in Accountancy. Mr. Luk is a fellow member of the Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants. Mr. Luk has been an executive director of Jete Power Holdings Limited (stock code: 8133) since 6 July 2021 and an independent non-executive director of Chinese Energy Holdings Limited (stock code: 8009) since 1 February 2018, the companies listed on the GEM of the Stock Exchange. Mr. Luk was previously the executive director of China Pioneer Pharma Holdings Limited (stock code: 1345), a company listed on the Main Board of the Stock Exchange and the independent non-executive director of China Saite Group Company Limited (stock code: 153), a company listed on the Main Board of the Stock Exchange, Mr. Luk resigned from his directorship in these companies in December 2020 and July 2019 respectively. Mr. Luk has worked for an international audit firm and a

* For identification only

number of public listed companies in Hong Kong. Mr. Luk has accumulated over 20 years of working experience in the fields of auditing, financial accounting and management, as well as corporate merger and acquisition.

Mr. Hui Yat On (“Mr. Hui”), aged 61, was appointed as independent non-executive Director on 10 June 2021. Mr. Hui graduated from the Chinese University of Hong Kong with a bachelor’s degree in business administration in December 1982. In November 2004, Mr. Hui obtained a master’s degree in professional accounting from Hong Kong Polytechnic University. Mr. Hui has become a member of the Hong Kong Institute of Certified Public Accountants since December 1986. Mr. Hui is a member of the Hong Kong Chiu Chow Chamber of Commerce. Mr. Hui has been the independent non-executive director of ArtGo Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 3313) since 8 June 2016 and Enterprise Development Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 1808) since 11 January 2021, respectively. Mr. Hui is currently a senior executive of a company listed on the GEM of the Stock Exchange. He has previously served as the executive director and senior executive of several Hong Kong listed companies. Mr. Hui has three decades of experiences in the field of corporate finance and financial services.

BUSINESS ADDRESS OF THE DIRECTORS

The business address of the Directors is the same as the Company’s head office and principal place of business in Hong Kong at 11/F., Wui Tat Centre, 55 Connaught Road West, Hong Kong.

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 the extraordinary general meeting (the “**EGM**”) of shareholders of China Financial Leasing Group Limited (the “**Company**”) will be held at 11/F., Wui Tat Centre, 55 Connaught Road West, Hong Kong on 20 August 2021 at 11:00 a.m. for the purposes of considering and, if thought fit, passing the following resolution with or without amendments as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** subject to the fulfilment of all the conditions (the “**Conditions**”) set out in the section headed “Conditions of the Share Consolidation” in the circular of the Company dated 30 July 2021, a copy of which has been tabled at the EGM marked “A” and initialled by the chairman of the EGM for the purpose of identification, with effect from the second business day immediately following the date on which this resolution is passed or the Conditions are fulfilled (whichever is later):

- (a) every ten (10) issued and unissued ordinary shares of par value of HK\$0.02 each in the share capital of the Company be and are hereby consolidated into one (1) consolidated share of par value of HK\$0.2 each (the “**Consolidated Shares**”) (the “**Share Consolidation**”), such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions in respect of the shares contained in the memorandum and articles of association of the Company;
- (b) all fractional entitlements to the issued Consolidated Shares resulting from the Share Consolidation (if any) will be disregarded and will not be issued to the shareholders of the Company but all such fractional Consolidated Shares will be aggregated and, if possible, sold and the net proceeds shall be retained for the benefit of the Company in such manner and on such terms as the directors of the Company (the “**Directors**”) may think fit; and

* For identification purpose only

NOTICE OF EGM

- (c) any one of the Directors be and is hereby authorised to do all such acts and things and sign, execute and deliver all documents (including affixing the common seal of the Company if appropriate) he or she considers necessary, desirable or expedient to give effect to the Share Consolidation and the transactions contemplated thereunder.”

By Order of the Board
China Financial Leasing Group Limited
Liu Hailong
Chairman

Hong Kong, 30 July 2021

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:*

11/F., Wui Tat Centre
55 Connaught Road West
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the EGM is entitled to appoint one or, if he/she is the holder of two or more Shares, more proxies to attend and vote instead of him/her. A proxy needs 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/her 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 54, 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. In view of the recent developments relating to Covid-19 infection, the Company strongly recommends the Shareholders intending to attend this meeting to vote by filling in and submitting the proxy form, i.e. to indicate their voting intention in the proxy form and designate the chairman of this meeting as your proxy to vote on your behalf on site. The form of proxy is despatched to shareholders and can also be downloaded from the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.cflg.com.hk. To be valid, the form of proxy must be deposited at the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting, as the case may be.

NOTICE OF EGM

The Company will also take the following precautions and control measures at this meeting to protect the shareholders from the risk of infection:

- a. Compulsory body temperature check will be taken for every shareholder or proxy at the entrance of the venue and anyone with a body temperature of more than 37.3 degrees Celsius will not be given access to the venue;
 - b. Every shareholder or proxy is required to wear facial surgical mask before entering into the venue and during their attendance of this meeting;
 - c. No refreshment will be served; and
 - d. No souvenir will be distributed.
5. The register of members of the Company will be closed from Tuesday, 17 August 2021 to Friday, 20 August 2021, both days inclusive, in order to determine the entitlement to attend the annual general meeting. In order to qualify for attending and voting at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Monday, 16 August 2021.
6. As at the date of this circular, the board of Directors of the Company comprises Mr. Chiu Wai Lap and Mr. Lui Cheuk Hang Henri as executive Directors, Mr. Liu Hailong (Chairman) and Mr. Xiao Shen as non-executive Directors, Mr. Wang Ruiyang, Mr. Lam Wai Tsin, Mr. Luk Chi Shing and Mr. Hui Yat On as independent non-executive Directors.