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**MR. KAN CHE KIN, BILLY ALBERT**

**OFFER ANNOUNCEMENT**

**VOLUNTARY CONDITIONAL CASH OFFER BY**



**BRIDGE PARTNERS CAPITAL LIMITED**

**BRIDGE PARTNERS CAPITAL LIMITED  
ON BEHALF OF MR. KAN CHE KIN, BILLY ALBERT  
TO ACQUIRE ALL ISSUED SHARES OF  
CHINA FINANCIAL LEASING GROUP LIMITED  
(OTHER THAN THOSE ALREADY ACQUIRED OR  
AGREED TO BE ACQUIRED BY THE OFFEROR AND  
PARTIES ACTING IN CONCERT WITH HIM)**



**BRIDGE PARTNERS CAPITAL LIMITED**

**Financial Adviser to the Offeror**

**THE OFFER**

The Offeror notified the Company on 13 July 2015 (between 12:00 noon to 12:35 p.m.) that he intends to make the Offer (in compliance with the Takeovers Code) through Bridge Partners, to acquire all the Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with him at the Offer Price of HK\$0.93 per Offer Share.

Based on the published information in respect of the Company as at the date of this announcement, the Company has 571,949,882 Shares in issue and has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

As at the date of this announcement, the Offeror and parties acting in concert with him hold 73,060,000 Shares, representing approximately 12.77% of the issued share capital of the Company. Based on the Offer Price of HK\$0.93 per Share and 498,889,882 Shares subject to the Offer, the total value of the Offer is HK\$463,967,590.26.

The Offeror intends to finance the total consideration payable under the Offer by his own resources. Bridge Partners is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

The Offer is conditional upon valid acceptances of the Offer being received by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which would result in the Offeror and parties acting in concert with him holding more than 50% of the voting rights in the Company.

The Offer Price shall be payable in cash. The Offeror reserves the right to revise the terms of the Offers in accordance with the Takeovers Code.

## **GENERAL**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Offer Document containing, among others, the terms and conditions of the Offer and the forms of acceptance and transfer to the Shareholders within 21 days of the date of this announcement. It is expected that such Offer Document will be issued on or before 6 August 2015.

Further announcement(s) regarding the despatch of the Offer Document will be made by the Offeror in due course.

**Shareholders and/or potential investors of the Company should be aware that the Offer is subject to the condition as stated under the paragraph headed “Condition of the Offer” in this announcement and accordingly, the Offer may or may not become unconditional. The Shareholders and/or potential investors of the Company should therefore exercise caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional advisers.**

Based on the Company’s publicly available information as at the date of this announcement, trading of Shares has been suspended since 2:01 p.m. on 13 July 2015.

## **THE OFFER**

The Offeror notified the Company on 13 July 2015 (between 12:00 noon to 12:35 p.m.) that he intends to make the Offer (in compliance with the Takeovers Code) through Bridge Partners, on and subject to the terms set out in the Offer Document to be despatched to the Shareholders and in the accompanying form of acceptance and transfer for the Shares, to acquire all the Shares not already owned or agreed to be acquired by the Offeror and parties acting in concert with him. As at the date of this announcement, the Offeror and parties acting in concert with him hold 73,060,000 Shares, representing approximately 12.77% of the issued share capital of the Company. The Offer is subject to the fulfillment of the condition as set out in this announcement.

## **PRINCIPAL TERMS OF THE OFFER**

Bridge Partners, on behalf of the Offeror, will make the Offer in compliance with the Takeovers Code on the following basis:

For each Offer Share . . . . . HK\$0.93 in cash

Based on the published information in respect of the Company as at the date of this announcement, the Company has 571,949,882 Shares in issue. Save as disclosed above, the Offeror is not aware of any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company in issue as at the date of this announcement.

### **Comparison of value**

The Offer Price of HK\$0.93 per Offer Share represents:

- (i) a discount of approximately 25.6% to the last trading price of HK\$1.25 per Share as quoted on the Stock Exchange immediately before the Shares were halted on 13 July 2015;
- (ii) a discount of approximately 10.58% to the closing price of HK\$1.04 per Share as quoted on the Stock Exchange on 10 July 2015, being the Last Trading Day;
- (iii) a premium of approximately 3.10% over the average closing price of HK\$0.902 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 6.77% over the average closing price of HK\$0.871 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a premium of approximately 0.18% over the average closing price of HK\$0.9283 per Share as quoted on the Stock Exchange for the last thirty (30) consecutive trading days up to and including the Last Trading Day; and
- (vi) a premium of approximately 421.5% over the published unaudited consolidated net asset value of the Company of HK\$0.1763 per Share as at 31 May 2015.

## **Condition of the Offer**

The Offer is conditional upon valid acceptances of the Offer being received by 4:00 p.m. on the Closing Date (or such later time or date as the Offeror may, subject to the rules of the Takeovers Code, decide) in respect of such number of Shares which would result in the Offeror and parties acting in concert with him holding more than 50% of the voting rights in the Company.

The Offer Price shall be payable in cash. The Offeror reserves the right to revise the terms of the Offer in accordance with the Takeovers Code.

**The Offer may or may not become unconditional. Shareholders and investors should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

## **Highest and lowest Share prices**

During the six-month period preceding and including the Last Trading Day, the highest and lowest daily closing prices of the Shares as quoted on the Stock Exchange was HK\$1.36 per Share on 14 April 2015 and HK\$0.56 per Share on 29 January 2015, respectively.

## **Value of the Offer**

Based on the Company's publicly available information as at the date of this announcement, there are 571,949,882 Shares in issue and has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code). At the Offer Price of HK\$0.93 per Offer Share, the entire issued share capital of the Company is valued at approximately HK\$531,913,390.26. Based on 498,889,882 Shares not already held by the Offeror and parties acting in concert with him and hence subject to the Offer, the Offer is valued at approximately HK\$463,967,590.26.

## **Financial resources available to the Offeror**

The Offeror intends to finance the total consideration payable under the Offer by his own resources. Bridge Partners is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

## **Effects of accepting the Offer**

By accepting the Offer, the relevant Shareholders will sell their respective Shares to the Offeror at the Offer Price free from all liens, charges, options, claims, equities, adverse interests, third-party rights or encumbrances whatsoever and together with all rights accruing or attaching thereto, including (without limitation) the right to receive dividends and distributions declared, made or paid, if any, on or after the date of the Offer Document.

## **Stamp duty**

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

## **Payment**

Provided that the Offer has become, or have been declared, unconditional in all respects, settlement of the consideration in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days of the date on which (i) the relevant documents of title are received by or on behalf of the Offeror to render each such acceptance complete and valid; and (ii) when the Offer has become or is declared unconditional, whichever is later.

## **Overseas Shareholders**

Shareholders who have registered addresses outside of Hong Kong and wish to accept the Offer should satisfy themselves as to the full observance of the applicable laws and regulations of the relevant jurisdictions in connection therewith (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer of other taxes due by such Shareholders in respect of such jurisdiction). Such Shareholders who are residents outside of Hong Kong should seek advice from their professional advisers in this regard.

## **INFORMATION ON THE OFFEROR**

The Offeror, Mr. Kan Che Kin, Billy Albert ("**Mr. Kan**"), is an executive director, the chairman and the chief executive officer of China LNG Group Limited, a company listed on the Main Board (Stock Code: 931) and its group companies are principally engaged in properties investment and trading of securities and development of LNG related businesses. Mr. Kan graduated from the University of East Anglia with a Bachelor of Science degree. Mr. Kan is an associate member of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and a fellow of the Hong Kong Securities Institute. Mr. Kan had worked with Deloitte Touche Tohmatsu and KPMG and is equipped with extensive experience in accounting, taxation and corporate finance. In addition, Mr. Kan has over 20 years of experience in serving on the board of directors of financial institutions and listed companies in Hong Kong, including Security Pacific Credit Hong Kong Limited (a subsidiary of Security Pacific National Bank, taken over by Bank of America then by China Construction Bank), EverChina Int'l Holdings Company Limited (formerly known as Burlingame International Company Limited) (Stock Code: 202) and Fullshare Holdings Limited (formerly known as Warderly International Holdings Limited) (Stock Code: 607). Mr. Kan resigned as a director of EverChina Int'l Holdings Company Limited in September 2000 and of Fullshare Holdings Limited in December 2013. Mr. Kan is also a director of several wholly-owned subsidiaries of China LNG Group Limited.

## DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

None of the Offeror and parties acting in concert with him had dealt for value in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities in the six months prior to 13 July 2015 and up to the date of this announcement, save for the following transactions:

<b>Date of transactions on the Stock Exchange</b>	<b>No. of Shares purchased/ (sold)</b>	<b>Highest transaction price per Share (HK\$)</b>	<b>Average transaction price per Share (HK\$)</b>
26 June 2015	980,000	0.92	0.92
29 June 2015	200,000	0.88	0.88
30 June 2015	1,680,000	0.80	0.79
2 July 2015	3,800,000	0.85	0.85
3 July 2015	6,360,000	0.83	0.81
3 July 2015	(1,380,000)	<i>(Note)</i>	<i>(Note)</i>
6 July 2015	18,320,000	0.86	0.83
7 July 2015	15,920,000	0.92	0.88
8 July 2015	<u>27,180,000</u>	0.93	0.92
	<u><u>73,060,000</u></u>		

*Note:* The selling price of 1,380,000 Shares was HK\$0.81.

## **OTHER ARRANGEMENT**

As at the date of this announcement,

- (i) save for the 73,060,000 Shares held by the Offeror and parties acting in concert with him, none of the Offeror and parties acting in concert with him own, has control, or direction over any voting rights or rights over Shares or convertible securities, warrants, options of the Company or derivatives of the Company;
- (ii) none of the Offeror and parties acting in concert with him has borrowed or lent any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (iii) there is no outstanding derivatives in respect of securities in the Company which has been entered into by the Offeror and parties acting in concert with him;
- (iv) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the Offeror, parties acting in concert with him and the Company which might be material to the Offer;
- (v) there is no agreement or arrangement to which the Offeror or parties acting in concert with him is a party which relates to circumstances in which he/it may or may not invoke or seek to invoke a pre-condition or condition to the Offer; and
- (vi) none of the Offeror nor the parties acting in concert with him has received any irrevocable commitment(s) to accept or reject the Offer.

## **INFORMATION ON THE COMPANY**

Based on the Company's publicly available information as at the date of this announcement, the Company is a company incorporated in the Cayman Islands with limited liability, the Shares of which are currently listed on the Main Board (Stock Code: 2312). The Group is principally engaged in short to medium term capital appreciation of investing in a diversified portfolio of investment in listed securities in Hong Kong.

## **INTENTION OF THE OFFEROR IN RELATION TO THE GROUP**

It is the Offeror's intention to acquire a majority interest in the Company pursuant to the Offer. The intention of the Offeror is that the Company's existing principal activities will be maintained, and at the same time after completion of the Offer, the Offeror will assist the Company in reviewing its business and operations and seek for new investment opportunities.

The Offeror intends to requisite a general meeting of the Company to seek appointment of new Directors to the Board and to procure the removal of the existing Directors from the Board as permitted under the Takeovers Code.

Should there be any change to the composition of the Board, it will be made in compliance with the Takeovers Code and the Listing Rules.

The Offeror has no intention to introduce major changes to the business of the Group, including any redeployment of fixed assets other than those in its ordinary course of business. Save for the potential change(s) to the composition of the Board, the Offeror has no plan to terminate the employment of any other employees or other personnel of the Group. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group's businesses and operations to optimise the value of the Group.

## **MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends the issued Shares to remain listed on the Stock Exchange after the close of the Offer.

Pursuant to the Listing Rules, if, at the closing of the Offer, less than 25% of the issued Shares are held by the public or if the Stock Exchange believes that: (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, then the Stock Exchange will consider exercising its discretion to suspend trading in the Shares.

The Offeror will take appropriate steps to ensure that sufficient public float exists in the Shares after the close of the Offer.

## **GENERAL**

Pursuant to Rule 8.2 of the Takeovers Code, the Offeror is required to despatch the Offer Document containing, among others, the terms and conditions of the Offer and the form of acceptance and transfer to the Shareholders within 21 days of the date of this announcement. It is expected that such Offer Document will be issued on or before 6 August 2015.

Further announcement(s) regarding the despatch of the Offer Document will be made by the Offeror in due course.

## **Dealings disclosure**

In accordance with Rule 3.8 of the Takeovers Code, the associates (as defined under the Takeovers Code, including persons holding 5% or more of a class of relevant securities of the Company) of the Offeror are hereby reminded to disclose their dealings in any securities of the Company pursuant to Rule 22 of the Takeovers Code.



In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

***“Responsibilities of stock brokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules.*

*However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

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

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

**Shareholders and/or potential investors of the Company should be aware that the Offer is subject to the condition as stated under the paragraph headed “Condition of the Offer” in this announcement and accordingly, the Offer may or may not become unconditional. The Shareholders and/or potential investors of the Company should therefore exercise caution when dealing in the Shares and if they are in any doubt about their position, they should consult their professional advisers.**

**DEFINITIONS**

Terms used in this announcement have the following meanings unless the context otherwise defined:

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Takeovers Code
“Bridge Partners”	Bridge Partners Capital Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror and the agent making the Offer on behalf of the Offeror
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for transaction of business

“Closing Date”	the date to be stated in the Offer Document as the first closing date of the Offer or any subsequent closing date as may be announced by the Offeror and approved by the Executive in accordance with the Takeovers Code
“Company”	China Financial Leasing Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board (Stock Code: 2312)
“Director(s)”	the director(s) of the Company from time to time
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of its delegate
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	10 July 2015, being the last full trading day of the Shares on the Stock Exchange before the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange
“Offer”	the voluntary conditional cash offer to be made by Bridge Partners on behalf of the Offeror for all Offer Shares in accordance with the Takeovers Code
“Offer Document”	the document to be issued by the Offeror to all Shareholders in connection with the Offer in accordance with the Takeovers Code containing, among others, information relating to the Offeror, the terms and conditions of the Offer, together with forms of acceptance and transfer
“Offer Price”	the price of HK\$0.93 per Offer Share payable by the Offeror to the Shareholders for each Offer Share accepted under the Offer
“Offer Share(s)”	Share(s) not already owned or agreed to be acquired by the Offeror and parties acting in concert with him
“Offeror”	Mr. Kan Che Kin, Billy Albert, an individual who is beneficially interested in approximately 12.77% of the issued share capital of the Company as at the date of this announcement

“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

**Mr. Kan Che Kin, Billy Albert**

Hong Kong, 16 July 2015

*The Offeror accepts full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*

*The information relating to the Company in this announcement has been extracted from or based on the published information of the Company, including its annual report for the year ended 31 December 2014 and monthly return for the month ended 30 June 2015. The only responsibility accepted by the Offeror in respect of such information is for the correctness and fairness of its reproduction or presentation.*