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If you are in 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 Ever Grand Financial Leasing Group Co., Ltd.**, you should at once hand this circular, together with the accompanying 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 transferee.

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**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO
THE DISPOSAL OF ENTIRE EQUITY INTERESTS
IN TEAMCOM GROUP LIMITED
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Unless the context otherwise requires, all capitalised terms used in this circular have the meanings set out in the section headed “Definitions” of this circular.

A notice convening an EGM of China Ever Grand Financial Leasing Group Co., Ltd. to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 5 January 2017 at 11:00 a.m. or any adjournment thereof is set out on pages EGM-1 to EGM-2 of this circular. A proxy form for use in the EGM is enclosed. Whether or not you propose to attend the meeting, you are requested to complete the enclosed proxy form in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

16 December 2016

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DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong and the PRC throughout their normal business hours
“Company”	China Ever Grand Financial Leasing Group Co., Ltd., a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange with stock code 379
“Completion”	completion of the transfer of the Sale Equity in accordance with the terms and conditions of the Disposal Agreement
“Completion Date”	the 3rd Business Day after the day the last of the conditions set out in Clause 4 of the Disposal Agreement has been satisfied (or such other date as may be agreed between the Vendor and the Purchaser in writing)
“connected person(s)”	has the meaning ascribed to it under Chapter 14A of the Listing Rules
“Consideration”	the consideration for the Disposal amounting to HK\$10,000,000
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Equity by the Vendor to the Purchaser, on and subject to the terms and conditions of the Disposal Agreement
“Disposal Agreement”	the agreement dated 17 November 2016 entered into between the Vendor and the Purchaser in respect of the Disposal

DEFINITIONS

“Disposal Company”	Teamcom Group Limited, a company established in the British Virgin Islands with limited liability and an indirect wholly owned subsidiary of the Company
“Disposal Group”	the Disposal Company and its subsidiaries
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Disposal Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HKFRSs”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s) who are third parties independent of the Company and its connected persons
“Latest Practicable Date”	14 December 2016, being the latest practicable date for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 March 2017 or such date as may be mutually agreed between the Vendor and Purchaser
“Polishing Materials and Equipment Business”	the principal business of the Disposal Group in the provision of manufacture and trading of polishing materials and equipment
“PRC”	the People’s Republic of China, which, for the purpose of this circular, shall exclude Hong Kong, Macau and Taiwan
“Purchaser”	Harmonic Lead Limited, a company incorporated in Republic of Seychelles, an Independent Third Party

DEFINITIONS

“Remaining Group”	the Company and its subsidiaries excluding the Disposal Group
“Sale Equity”	the entire equity interests of the Disposal Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	Lucky Ride Investments Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

LETTER FROM THE BOARD



Executive Directors:

Mr. Wong Lik Ping
Mr. Lai Ka Fai
Mr. Tao Ke
Mr. Qiao Weibing

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Non-executive Directors:

Mr. Cheng Kwok Woo
Ms. Yeung Sau Han Agnes

*Head office and principal place
of business in Hong Kong:*

Room 2203, 22/F.
Kwan Chart Tower
No. 6 Tonnochy Road
Wanchai, Hong Kong

Independent non-executive Directors:

Mr. Goh Choo Hwee
Mr. Ho Hin Yip
Mr. U Keng Tin

16 December 2016

To the Shareholders

Dear Sir/Madam,

**VERY SUBSTANTIAL DISPOSAL
IN RELATION TO
THE DISPOSAL OF ENTIRE EQUITY INTERESTS
IN TEAMCOM GROUP LIMITED
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

On 17 November 2016 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Disposal Agreement, pursuant to which the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Sale Equity at the Consideration of HK\$10,000,000. Completion shall be conditional, among other things, upon the approval of the Disposal Agreement and the transactions contemplated thereunder by the Shareholders at the EGM.

LETTER FROM THE BOARD

As one of the applicable percentage ratios set forth under Rule 14.07 of the Listing Rules in respect of the Disposal is 75% or more, the Disposal constitutes a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Disposal. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, no Shareholders have any material interest in the Disposal or are required to abstain from voting at the EGM of the Company to approve the Disposal.

The purpose of this circular is to provide you with, among other things, (i) further details of the Disposal Agreement and the transactions contemplated therein; and (ii) a notice of the EGM.

THE DISPOSAL AGREEMENT

Reference is made to the Company's announcement dated 17 November 2016 in relation to the Disposal.

On 17 November 2016 (after trading hours of the Stock Exchange), the Vendor and the Purchaser entered into the Disposal Agreement, the principal terms of which are set out below:

Date

17 November 2016

Parties

Vendor: Lucky Ride Investments Limited

Purchaser: Harmonic Lead Limited

Lucky Ride Investments Limited, a company incorporated in the British Virgin Islands with limited liability, is a wholly-owned subsidiary of the Company, and is principally engaged in investment holding.

Assets to be disposed of

Pursuant to the Disposal Agreement, the Vendor shall dispose of the Sale Equity, representing the entire equity interests in the Disposal Company. The Disposal Company is principally engaged in investment holding. The Disposal Group is principally engaged in the provision of manufacture and trading of polishing materials and equipment.

LETTER FROM THE BOARD

Consideration

The Consideration of the Disposal is HK\$10,000,000 which will be settled in the following manners:

- (i) the first instalment in the sum of HK\$5,000,000 to be paid immediately by the Purchaser by way of wire transfer to the Vendor on or before the seventh Business Day after the Completion Date; and
- (ii) the second instalment in the sum of HK\$5,000,000 to be paid immediately by the Purchaser by way of wire transfer to the Vendor on or before the date falling on the date of the first anniversary of the Completion Date.

Basis of consideration

As at 30 June 2016, the unaudited net asset value of the Disposal Group was approximately HK\$104,104,000. Completion of the Disposal is conditional upon, among other thing, the Company, a subsidiary of the Disposal Company and the Disposal Company entering into the waiver documents, pursuant to which the Disposal Group and the Remaining Group shall waive the mutual debts due from each other effectively, of which the net amount due from the Remaining Group to the Disposal Group of approximately HK\$73,623,000. After waiving the net amount due from the Remaining Group to the Disposal Group, the adjusted unaudited net asset value of the Disposal Group as at 30 June 2016 would be approximately HK\$30,481,000.

The Consideration was determined after arm's length negotiation between the Vendor and the Purchaser with reference to the (i) adjusted unaudited net asset value of the Disposal Group of approximately HK\$30,481,000 after waiving an amount due from the Remaining Group to the Disposal Group of approximately HK\$73,623,000; (ii) the unaudited consolidated loss after taxation of the Disposal Group for the two years ended 31 December 2014 and 2015 and for the nine months ended 30 September 2016 of approximately HK\$4,540,000, HK\$6,503,000 and HK\$8,875,000, respectively; and (iii) the expected continuing loss-making condition due to the continuing difficult operating environment of the Polishing Materials and Equipment Business as detailed in the section headed "Information of the Group and the Remaining Group and reasons for and benefit of the Disposal" below.

During the negotiation process of the Disposal, the parties to the Disposal Agreement were of view that the Disposal Group might not achieve turnaround in the near term following the Disposal and the Purchaser might have to bear such potential losses to be recorded by the Disposal Group, given that (i) the continuous and considerable loss-making of the Polishing Materials and Equipment Business since the year ended 31 December 2007; (ii) the unaudited consolidated loss after taxation of the Disposal Group for the year ended 31 December 2015 and for the nine months ended 30 September 2016 of approximately HK\$6,503,000 and HK\$8,875,000, respectively; and (iii) the poor performance of the Disposal Group shows no sign of improvement and may deteriorate. In light of the forgoing, the Vendor and Purchaser had negotiated and arrived at the Consideration of HK\$10,000,000, as compared with the adjusted unaudited net asset value of the Disposal Group as at 30 June 2016 of approximately HK\$30,481,000, after catering for the potential losses of the Disposal Group following the Disposal before any turnaround can be achieved and that the Purchaser would have to bear the potential losses as mentioned above.

LETTER FROM THE BOARD

The Directors consider that the settlement of Consideration by two instalments in the sum of HK\$5,000,000 each on or before the seventh Business Day after the Completion Date and on or before the date falling on the date of the first anniversary of the Completion Date, respectively, is arrived at after arm's length negotiation considering immediate financial outlay of half of the Consideration of the Purchaser following Completion.

The Directors consider that the terms and conditions of the Disposal are fair and reasonable and are on normal commercial terms and are in the best interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion of the Disposal Agreement is conditional upon (i) waiving of the net amount due from the Remaining Group to the Disposal Group of approximately HK\$73,623,000; and (ii) passing by the Shareholders of the ordinary resolution(s) at the EGM to approve the Disposal Agreement and the transactions contemplated thereunder.

In the event that the above conditions are not fulfilled on or before Long Stop Date (or such other date that may be agreed by the parties in writing), the Disposal Agreement shall lapse and none of the parties to the Disposal Agreement shall have any further obligations towards the other thereunder except for any antecedent breaches of the Disposal Agreement (if any).

Completion

Completion shall take place upon fulfilment of the conditions precedent under the Disposal Agreement.

Upon Completion, the Company will cease to hold any equity interest in the Disposal Company and the results of the Disposal Group will no longer be consolidated into the consolidated financial statements of the Company.

INFORMATION OF THE PURCHASER

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, (i) the Purchaser is a company incorporated in Republic of Seychelles and is principally engaged in investment holding; and (ii) the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties.

INFORMATION OF THE DISPOSAL GROUP

The Disposal Company, an indirect wholly-owned subsidiary of the Company, is a company incorporated in the British Virgin Islands with limited liability and is principally engaged in investment holding. The Disposal Group is principally engaged in the Polishing Materials and Equipment Business.

LETTER FROM THE BOARD

Upon Completion, the Company will cease to hold any equity interest in the Disposal Company and the results of the Disposal Group will no longer be consolidated into the consolidated financial statements of the Company.

INFORMATION OF THE GROUP AND THE REMAINING GROUP AND REASONS FOR AND BENEFIT OF THE DISPOSAL

The principal business of the Group comprises (i) Polishing Materials and Equipment Business; (ii) trading of equity securities; (iii) investment in terminal and logistics services business; (iv) finance lease; and (v) investment holding. The Polishing Materials and Equipment Business is operated by the Disposal Group.

As shown in the section headed “Financial information and impact of the Disposal” below, the Polishing Materials and Equipment Business has been in a loss-making position for the two years ended 31 December 2014 and 2015 and nine months ended 30 September 2016. In fact, the Polishing Materials and Equipment Business has been loss-making since the year ended 31 December 2007. The Directors consider that under the current economic environment, the poor performance of the Polishing Materials and Equipment Business is expected to continue and there is no sign of improvement in the foreseeable future, and the Polishing Materials and Equipment Business would remain a financial burden to the Group as well as ineffective use of resources.

In view of the foregoing, the Directors consider that it is in the interest of the Group and the Shareholders as a whole to seize this opportunity to dispose of the Polishing Materials and Equipment Business thereby to cease its adverse impacts brought to the Group, and devote resources to the newly acquired finance lease business, the future development of which is detailed in the section headed “Financial and trading prospects of the Group” in Appendix I to this circular.

Taking into consideration of the aforesaid, the Directors consider that the terms and conditions of the Disposal are on normal commercial terms and are fair and reasonable and that the Disposal is in the interests of the Company and the Shareholders as a whole.

FINANCIAL INFORMATION AND IMPACT OF THE DISPOSAL

Set out below is extracted financial information of the Disposal Group as extracted from its unaudited financial statements prepared in accordance with the HKFRSs for the two years ended 31 December 2014 and 2015 and nine months ended 30 September 2016:

	For the year ended 31 December		For the nine months ended 30 September
	2014	2015	2016
	(unaudited)	(unaudited)	(unaudited)
	HK\$'000	HK\$'000	HK\$'000
Revenue	89,797	82,767	40,866
Net loss before taxation	(4,513)	(6,489)	(8,882)
Net loss after taxation	(4,540)	(6,503)	(8,875)

LETTER FROM THE BOARD

	As at 31 December		As at 30
	2014	2015	September
	(unaudited)	(unaudited)	(unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	118,463	125,000	116,181
Total liabilities	(10,788)	(13,641)	(13,779)
Net assets	107,675	111,359	102,402

Based on the unaudited net asset value of the Disposal Group as at 30 June 2016, it is estimated that the Company will record a loss of approximately HK\$22,225,000 from the Disposal, and the basis of calculation is as follows:

	<i>HK\$</i>
Fair value of consideration	9,651,000
<i>Add:</i>	
Net amount due from the Remaining Group to the Disposal Group to be waived	73,623,000
Reclassification of cumulative translation reserve upon disposal of the Disposal Group to profit or loss	605,000
<i>Less:</i>	
Net assets to be disposed of as at 30 June 2016	(104,104,000)
Estimated professional fees and other expenses directly attributable to the Disposal	<u>(2,000,000)</u>
Loss on Disposal	<u><u>(22,225,000)</u></u>

The financial effects to the Group upon completion of the Disposal are expected to be:

- (i) a decrease in the net assets of approximately HK\$22.8 million; and
- (ii) change from a profit of HK\$3.4 million for the year ended 31 December 2015 to a loss attributable to owners of the Company of approximately HK\$14.8 million

LETTER FROM THE BOARD

Any actual gain or loss from the Disposal will depend on the carrying value of the net assets of the Disposal Group upon Completion.

Upon Completion, the Company will not have any interest in the Disposal Company and the Disposal Company will cease to be a subsidiary of the Group. Accordingly, the profits and losses and the assets and liabilities of the Disposal Group will no longer be consolidated into the consolidated financial statements of the Group.

USE OF PROCEEDS FROM THE DISPOSAL

The Board intends to apply the net proceeds from the Disposal which is estimated to be approximately HK\$8.0 million (after deducting all related expenses to be incurred for the Disposal) as general working capital of the Remaining Group.

LISTING RULES IMPLICATIONS

As of the applicable ratios set forth under Rule 14.07 of the Listing Rules in respect of the Disposal is 75% or more, the Disposal constitute a very substantial disposal of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and the Shareholders' approval requirements under Chapter 14 of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Disposal. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders have any material interest in the Disposal or are required to abstain from voting at the EGM of the Company to approve the Disposal.

EGM

A notice convening the EGM to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 5 January 2017 at 11:00 a.m. is set out on pages EGM-1 and EGM-2 of this circular.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Secretaries 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 adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

The resolution approving the Disposal will be voted by way of a poll at the EGM.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the terms of the Disposal are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Disposal and the transactions contemplated thereunder.

As completion of the Disposal is subject to the fulfillment of a number of conditions precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the Shares.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the six months ended 30 June 2016 and two years ended 31 December 2015 are disclosed in the interim report of the Company for the six months ended 30 June 2016 and annual report of the Company for the year ended 31 December 2015 respectively, all of which are published on the website of the Stock Exchange at <http://www.hkexnews.hk>, and the website of the Company at <http://www.egichk.com/>. Quick links to the interim report and the annual report of the Company published on the website of the Stock Exchange are set out below. There was no qualified opinion issued for the audited financial information of the Group for the two years ended 31 December 2015.

Interim report of the Company for the six months ended 30 June 2016:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0914/LTN20160914334.pdf>

Annual report of the Company for the year ended 31 December 2015:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0428/LTN20160428657.pdf>

2. INDEBTEDNESS**Borrowings and finance lease commitment**

At the close of business on 31 October 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding secured and guaranteed borrowings related to finance lease business of approximately HK\$278 million; secured and unguaranteed borrowing related to finance lease business of approximately HK\$42 million; secured and unguaranteed other loans of approximately HK\$3 million; an unsecured and unguaranteed other loan of approximately HK\$32 million; secured and guaranteed obligation under finance lease of approximately HK\$0.4 million and secured and unguaranteed obligations under finance leases of approximately HK\$1.1 million.

Securities

The Group's secured and guaranteed borrowings related to finance lease business of approximately HK\$278 million were secured by machineries leased to customers under finance lease, restricted deposits and/or finance lease receivables and were under guarantee provided by the finance lease customer or shareholders of the finance lease customers.

The Group's secured and unguaranteed borrowing related to finance lease business of approximately HK\$42 million was secured by finance lease receivables.

The Group's secured and unguaranteed other loans of approximately HK\$3 million were secured by the life insurance policy for key management held by the Group.

The Group's secured and guaranteed obligation under finance lease of approximately HK\$0.4 million was secured by the lessor's charge over the motor vehicle and was under guarantee provided by a director of the borrower,

The Group's secured and unguaranteed obligations under finance leases of approximately HK\$1.1 million were secured by the lessors' charges over the motor vehicles.

Contingent liabilities

At the close of business on 31 October 2016, the Group had no material contingent liabilities outstanding.

Disclaimers

Save as aforesaid, and apart from intra-group liabilities, the Group did not have any outstanding debt securities issued and outstanding, and authorised or otherwise created but unissued, term loans, bank overdrafts and loans, other loans or other similar indebtedness, liabilities under acceptance or acceptable credits, debentures, mortgages, charges, hire purchases commitments, guarantee or material contingent liabilities, at the close of business on 31 October 2016.

Foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 31 October 2016. The Directors are not aware of any material changes in the Group's indebtedness and contingent liabilities since the close of business on 31 October 2016.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that the working capital available to the Group is sufficient for the Group's present requirements for at least the next 12 months from the date of publication of this circular in the absence of unforeseen circumstances after taking into account (i) the internal resources of the Group; (ii) the available credit facilities of the Group; and (iii) the Disposal.

4. MATERIAL ADVERSE CHANGE

The Directors have confirmed that they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2015, being the date to which the latest published audited accounts of the Company were made up to.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

In the second half of the year ending 31 December 2016, the Group will continue facing difficult operating environment, due to the global political and economic uncertainties, and the slowdown of China economy and rather weak performance of China import and export industry. However, as the various micro stimulus implemented by the Chinese government gradually appeared to be effective and the long-term reform has been impacting on the investment environment, the economic growth will be stabilized gradually.

Due to the unclear market conditions, the Group will continue to take a conservative approach towards its investment portfolio and strategies in order to improve the performance of the investment segment.

The Group has completed the acquisition of the entire issued share capital in China Ever Grand Capital Group Limited and assignment of shareholder's loan and capital injection to Beijing Ever Grand International Finance Lease Co., Ltd. ("BEGIFL") in January 2016. The Group holds 51.39% of the equity of BEGIFL. BEGIFL is engaged in provision of finance lease services and financing services. According to the interim report 2016, segment revenue and segment profit of the finance lease division for the six months ended 30 June 2016 amounted to approximately HK\$73.1 million and HK\$17.1 million respectively.

The newly acquired finance lease business is already in full operation and according to the performance for the first six months of the year, it produced a positive contribution to the Group and the Group will devote resources to the future development of the finance lease business and form new business growth and enhance profitability of the Group.

6. MANAGEMENT DISCUSSION AND ANALYSIS OF THE REMAINING GROUP

Set out below is the management discussion and analysis on the Remaining Group for the three years ended 31 December 2015 (the "Reporting Periods"). The financial data in respect of the Remaining Group, for the purpose of this circular, is derived from the consolidated financial statements of the Company for the Reporting Periods.

A. Operational and Financial Review

(i) For the year ended 31 December 2013

Business Review

The turnover and revenue of the Remaining Group for the year ended 31 December 2013 represent HK\$3.9 million and nil respectively (2012: HK\$25.6 million and nil respectively). Profit of the Remaining Group for the year ended 31 December 2013 attributable to the shareholders of the Company was approximately HK\$127.9 million (2012: HK\$20.8 million). The Remaining Group recorded a substantial improvement in the annual results for the year ended 31 December 2013 as compared with last year because there were increase in share of results of joint ventures, decreases in finance costs, decrease in losses on disposal/partial disposal of associates, and decrease in fair value loss of convertible bonds designated as financial assets at fair value through profit or loss.

Segment results

Segmental loss of the investment division decreased from approximately HK\$19.0 million in 2012 to HK\$16.2 million in 2013. Segmental profit of the terminal and logistics services division increased from HK\$96.8 million in 2012 to HK\$174.5 million in 2013. The increase was mainly due to the commencement of operation of its two new berths with total capacity of 140,000 tonnes since October 2012.

Financial Resources and Liquidity

As at 31 December 2013, the Remaining Group had an interest-bearing other loan of approximately HK\$8.7 million which was of maturity within one year. The Board expects that the other loan will be repaid by internal resources upon its maturity. As at 31 December 2013, the current assets of the Remaining Group amounted to approximately HK\$432.9 million. The Remaining Group's current ratio (after excluding an amount due to the Disposal Group of approximately HK\$73.7 million) was approximately 3.90 as at 31 December 2013. As at 31 December 2013, without considering the amount due to the Disposal Group of approximately HK\$73.7 million, the Remaining Group had total assets of approximately HK\$1,315.6 million and total liabilities of approximately HK\$92.7 million, representing a gearing ratio (measured as total liabilities to total assets) of 7.0% as at 31 December 2013.

Foreign Currency Risk

The investments of the Remaining Group are in Hong Kong dollars. The operating expenses of the Remaining Group are either in Hong Kong dollars or Renminbi. The Group does not use any derivative contracts to hedge against its exposure to currency risk. The management manages its foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

Significant Investment

As at 31 December 2013, the Remaining Group held available-for-sale investments and interests in associates amounting to approximately HK\$2.5 million and HK\$76.3 million respectively. During the year, the Remaining Group recorded gain in fair value of convertible bonds designated as financial assets at fair value through profit or loss amounting to approximately HK\$2.5 million and gain on disposal of held for trading investments amounting to approximately HK\$0.8 million.

Charge on Assets

As at 31 December 2013, the Remaining Group did not have any pledge of assets.

Contingent Liabilities

The Remaining Group had no material contingent liabilities as at 31 December 2013.

Capital Structure

As at 31 December 2013, the share capital of the Company comprised ordinary shares only.

Employees and Remuneration Policy

As at 31 December 2013, the Remaining Group had approximately 25 employees (excluding employees of the Company's joint ventures) in Hong Kong and the PRC. The employees are remunerated with basic salary, bonus and other benefits in kind with reference to industry practice and their individual performance. The Company also operates a share option scheme of which the Board may, at its discretion, grant options to employees of the Remaining Group.

Business prospects and future plan

Facing with the slowdown in the economic growth in the PRC and intense competition on peripheral terminals and logistics services, the major tasks of the terminal and logistics services division in 2014 include keeping on improving services quality, maintaining traditional position and customer strength, further enhancing the utilisation efficiency of existing terminal facilities, storage facilities and equipment, continuing to perfect construction of terminal facilities, soliciting new customers and supply, improving the management level and controlling production costs so as to strive for steady growth in port throughput and profits. The Remaining Group also keeps on evaluating and restructuring its investment portfolio and strategies in order to improve the performance of the investment segment. The Board and the Remaining Group's management continue to use their best endeavour to strengthen and strive for improvements in all the Remaining Group's business segments and to enhance the long-term growth potential of the Remaining Group.

*(ii) For the year ended 31 December 2014**Business Review*

The turnover and revenue of the Remaining Group for the year ended 31 December 2014 represent HK\$48.5 million and nil respectively (2013: HK\$3.9 million and nil respectively). Profit of the Remaining Group for the year ended 31 December 2014 attributable to the shareholders of the Company was approximately HK\$32.1 million (2013: HK\$127.9 million). The Remaining Group recorded a decrease in the annual profit for the year ended 31 December 2014 as compared with last year mainly because of increase in administrative expenses, loss on partial disposal of an associate, loss on derecognition of an associate and decrease in fair value of held for trading investments.

Segment results

Segmental loss of the investment division increased from approximately HK\$16.2 million in 2013 to HK\$45.0 million in 2014. Segmental profit of the terminal and logistics services division decreased from HK\$174.5 million in 2013 to HK\$146.0 million in 2014.

Financial Resources and Liquidity

As at 31 December 2014, the Remaining Group did not have any interest bearing borrowings (31 December 2013: HK\$8.7 million). As at 31 December 2014, the current assets of the Remaining Group amounted to approximately HK\$491.1 million. The Remaining Group's current ratio (after excluding an amount due to the Disposal Group of approximately HK\$73.5 million) was approximately 4.05 as at 31 December 2014. As at 31 December 2014, without considering the amount due to the Disposal Group of approximately HK\$73.5 million, the Remaining Group had total assets of approximately HK\$1,358.6 million and total liabilities of approximately HK\$138.8 million, representing a gearing ratio (measured as total liabilities to total assets) of 10.2% as at 31 December 2014.

Foreign Currency Risk

The investments of the Remaining Group are in Hong Kong dollars. The operating expenses of the Remaining Group are either in Hong Kong dollars or Renminbi. The Group does not use any derivative contracts to hedge against its exposure to currency risk. The management manages its foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

Significant Investment

As at 31 December 2014, the Remaining Group held available-for-sale investments and held for trading investments amounting to approximately HK\$2.5 million and HK\$88.5 million respectively. During the year, the Remaining Group recorded loss on partial disposal of an associate of approximately HK\$14.9 million, loss on derecognition of an associate of approximately HK\$26.9 million, increase in fair value of convertible bonds designated as financial assets at fair value through profit or loss of approximately HK\$10.7 million, decrease in fair value of held for trading investments of approximately HK\$11.6 million and gain on disposal of held for trading investments of approximately HK\$3.0 million.

Charge on Assets

As at 31 December 2014, the Remaining Group did not have any pledge of assets.

Contingent Liabilities

The Remaining Group had no material contingent liabilities as at 31 December 2014.

Capital Structure

As at 31 December 2014, the share capital of the Company comprised ordinary shares only.

Employees and Remuneration Policy

As at 31 December 2014, the Remaining Group had approximately 25 employees (excluding employees of the Company's joint ventures) in Hong Kong and the PRC. The employees are remunerated with basic salary, bonus and other benefits in kind with reference to industry practice and their individual performance.

Business prospects and future plan

The management believes the year of 2015 will be a year full of challenges. Facing with the continuous slowdown in the economic growth in the PRC, and intense competition on peripheral terminals and logistics services, the major tasks of the terminal and logistics services division in 2015 include keeping on improving services quality, maintaining traditional position and customer strength, further enhancing the utilisation efficiency of existing terminal facilities, storage facilities and equipment, continuing to perfect construction of terminal facilities, soliciting new customers and supply, improving the management level and controlling production costs so as to strive for steady growth in port throughput and profits. The Remaining Group will also keep on evaluating and restructuring its investment portfolio and strategies in order to improve the performance of the investment segment. The Board and the Remaining Group's management will continue to use their best endeavour to strengthen and strive for improvements in all the Remaining Group's business segments and to enhance the long-term growth potential of the Remaining Group.

(iii) For the year ended 31 December 2015*Business Review*

The turnover and revenue of the Remaining Group for the year ended 31 December 2015 represent HK\$175.8 million and nil respectively (2014: HK\$48.5 million and nil respectively). Profit of the Remaining Group for the year ended 31 December 2015 attributable to the shareholders of the Company was approximately HK\$10.0 million (2014: HK\$32.1 million). The Remaining Group recorded a decrease in the annual profit for the year ended 31 December 2015 as compared with last year mainly because of decrease in share of result of joint venture.

Segment results

Segmental results of the investment division changed from approximately segmental loss of HK\$45.0 million in 2014 to segmental profit of HK\$5.5 million in 2015. Segmental profit of the terminal and logistics services division decreased from HK\$146.0 million in 2014 to HK\$30.9 million in 2015.

Financial Resources and Liquidity

As at 31 December 2015, the Remaining Group did not have any interest bearing loan. As at 31 December 2015, the current assets of the Remaining Group amounted to approximately HK\$528.1 million. The Remaining Group's current ratio (after excluding an amount due to the Disposal Group of approximately HK\$73.6 million) was approximately 5.31 as at 31 December 2015. As at 31 December 2015, without considering the amount due to the Disposal Group of HK\$73.6 million, the Remaining Group had total assets of approximately HK\$1,284.7 million and total liabilities of approximately HK\$114.0 million representing a gearing ratio (measured as total liabilities to total assets) of 8.9 as at 31 December 2015.

Foreign Currency Risk

The investments of the Remaining Group are in Hong Kong dollars. The operating expenses of the Remaining Group are either in Hong Kong dollars or Renminbi. The Group does not use any derivative contracts to hedge against its exposure to currency risk. The management manages its foreign currency risk by monitoring the movement of the foreign currency rate and will consider hedging significant foreign currency exposure should the need arise.

Significant Investment

As at 31 December 2015, the Remaining Group held available-for-sale investments and held for trading investments amounting to approximately HK\$2.0 million and HK\$44.1 million respectively. During the year, the Remaining Group recorded decrease in fair value of convertible bonds designated as financial assets at fair value through profit or loss of approximately HK\$8.8 million, impairment loss on available-for-sale investments of approximately HK\$0.5 million and increase in fair value of held for trading investments of approximately HK\$2.4 million.

Charge on Assets

As at 31 December 2015, the Remaining Group did not have any pledge of assets.

Contingent Liabilities

The Remaining Group had no material contingent liabilities as at 31 December 2015.

Capital Structure

As at 31 December 2015, the share capital of the Company comprised ordinary shares only.

Employees and Remuneration Policy

As at 31 December 2015, the Remaining Group had approximately 27 employees (excluding employees of the Company's joint ventures) in Hong Kong and the PRC. The employees are remunerated with basic salary, bonus and other benefits in kind with reference to industry practice and their individual performance.

Business prospects and future plan

The year 2015 was a very difficult year to the Remaining Group. Due to the slowdown of China economy and the rather weak performance of China import and export industry as a result of the unstable global economic conditions, the performance of terminal and logistics services segment was inevitably affected, with a substantial decrease as compared with the last year. The Remaining Group believes that with the benefit of the depreciation of the RMB recently and the supporting policies announced by the "Two Sessions" kicked off in Beijing in March 2016, the performance of the terminal and logistics services segment will slowly pick up. The investment business segment continued to record improvement. However, due to the extreme unstable market conditions, the Remaining Group will continue to take a conservative approach towards its investment portfolio and strategies in order to improve the performance of the investment segment.

In addition, the Remaining Group believes that it will be able to expand its business into the finance lease industry by acquiring interests in a PRC finance lease company at the beginning of the year. It is expected that the business will generate a positive contribution to the Remaining Group's overall performance and will present new opportunities to the expansion of its business.

While impacted by both decline external and internal adverse factors, the management of the Remaining Group will consider these adverse factors as challenges and drivers that foster its development. The Remaining Group will continue to use their best endeavor to strengthen and strive for improvements in all the Remaining Group's business segments and to enhance the long-term profitability and growth potential of the Remaining Group by emphasizing on the development of its newly acquired finance lease business.

B. Future Plan for Material Investments or Capital Assets

As at the Latest Practicable Date, the Remaining Group has no plan for material investments or capital assets

C. Material Acquisitions and Disposals of Subsidiaries and Associates

Material acquisitions and disposals of subsidiaries and associates during the Reporting Periods are detailed as follows:

1. On 21 July 2015, the Group entered into a sale and purchase agreement (as supplemented by a supplemental agreement dated 26 October 2015) with Mr. Wong Lik Ping, an executive director and chairman of the Board of the Company, for acquisition of the entire issued share capital of China Ever Grand Capital Group Limited (“CEGCG”) and the shareholder’s loan due by CEGCG at consideration of RMB170,847,000 (equivalent to approximately HK\$213,558,750). CEGCG, through its indirect wholly-owned subsidiary Hong Kong Ever Grand Capital Limited (“HKEGC”), was then interested in 41.67% equity of 北京恒嘉國際融資租賃有限公司 (Beijing Ever Grand International Finance Lease Co., Ltd., hereafter “**Beijing Ever Grand**”). HKEGC has agreed to further invest US\$6 million into Beijing Ever Grand. HKEGC would hold 51.39% equity of Beijing Ever Grand after the capital injection of US\$6 million into Beijing Ever Grand. The acquisition was completed on 7 January 2016 and Beijing Ever Grand has become a non wholly-owned subsidiary of the Company. Further details of the acquisition are set out in the Company’s announcements dated 21 July 2015, 23 July 2015 and 26 October 2015 and circular dated 30 October 2015. Quick links are as below:

Announcement:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0722/LTN20150722013.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0723/LTN20150723796.pdf>

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/1026/LTN20151026712.pdf>

Circular:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/1030/LTN20151030293.pdf>

**UNAUDITED FINANCIAL INFORMATION OF TEAMCOM GROUP LIMITED (THE
“DISPOSAL COMPANY”) AND ITS SUBSIDIARIES (TOGETHER THE “DISPOSAL
GROUP”)**

Set out below are the unaudited consolidated statements of financial position of the Disposal Group as at 31 December 2013, 2014 and 2015 and 30 September 2016 and the unaudited consolidated statement of profit or loss and other comprehensive income, unaudited consolidated statements of changes in equity and unaudited consolidated statements of cash flows and certain explanatory notes of the Disposal Group for each of the three years ended 31 December 2013, 2014 and 2015 and the nine months ended 30 September 2015 and 2016 (the “Unaudited Financial Information”).

The Unaudited Financial Information has been presented on the basis set out in Note 2 and prepared in accordance with the accounting policies adopted by the Company as set out in its annual report for the year ended 31 December 2015, and the new accounting standards introduced that have been effective for the period ended 30 June 2016, where applicable, and paragraph 14.68(2)(a)(i) of the Listing Rules.

The Unaudited Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular in connection with the disposal of the Disposal Group (the “Disposal”). The Company’s reporting accountant was engaged to review the financial information of the Disposal Group set out on pages II-2 to II-9 in accordance with Hong Kong Standard on Review Engagements 2400 (Revised) “Engagements to Review Historical Financial Statements” and with reference to Practice Note 750 “Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal” issued by the Hong Kong Institute of Certified Public Accountants. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountant to obtain assurance that the reporting accountant would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountant does not express an audit opinion. The reporting accountant has issued an unqualified review report.

UNAUDITED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Unaudited			
	As at	As at	As at	As at
	31 December	31 December	31 December	30 September
	2013	2014	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets				
Plant and equipment	679	1,094	788	1,061
Interest in a joint venture	9,726	10,405	9,869	9,655
Club debentures	350	350	350	350
	<u>10,755</u>	<u>11,849</u>	<u>11,007</u>	<u>11,066</u>
Current assets				
Inventories	4,585	8,778	8,746	10,680
Trade receivables, other receivables, deposits and prepayments	36,348	23,151	26,570	18,982
Amount due from an immediate holding company	73,654	73,492	73,623	73,623
Amount due from a joint venture	317	–	–	–
Bank balance and cash	914	1,193	5,054	1,830
	<u>115,818</u>	<u>106,614</u>	<u>113,993</u>	<u>105,115</u>
Current liabilities				
Trade and other payables and accruals	10,995	6,926	8,279	7,269
Amount due to a joint venture	–	75	–	–
Tax payable	1,915	1,915	1,915	1,915
Obligation under finance leases	542	730	302	628
Other loans	–	–	2,293	2,782
	<u>13,452</u>	<u>9,646</u>	<u>12,789</u>	<u>12,594</u>
Net current assets	<u>102,366</u>	<u>96,968</u>	<u>101,204</u>	<u>92,521</u>
Total assets less current liabilities	<u><u>113,121</u></u>	<u><u>108,817</u></u>	<u><u>112,211</u></u>	<u><u>103,587</u></u>

APPENDIX II**FINANCIAL INFORMATION OF THE
DISPOSAL GROUP**

	Unaudited			
	As at	As at	As at	As at
	31 December	31 December	31 December	30 September
	2013	2014	2015	2016
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Capital and reserves				
Share capital	390	390	11,390	11,390
Reserves	<u>111,845</u>	<u>107,285</u>	<u>99,969</u>	<u>91,012</u>
Total equity	<u>112,235</u>	<u>107,675</u>	<u>111,359</u>	<u>102,402</u>
Non-current liabilities				
Obligations under finance leases	749	858	555	895
Deferred tax liabilities	<u>137</u>	<u>284</u>	<u>297</u>	<u>290</u>
	<u>886</u>	<u>1,142</u>	<u>852</u>	<u>1,185</u>
	<u>113,121</u>	<u>108,817</u>	<u>112,211</u>	<u>103,587</u>

UNAUDITED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME

	Unaudited				
	For the year ended 31 December			For the nine months ended 30 September	
	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000	2015 HK\$'000	2016 HK\$'000
Revenue	80,297	89,797	82,767	43,030	40,866
Cost of sales	(83,634)	(87,398)	(78,425)	(39,778)	(38,673)
Gross profit	(3,337)	2,399	4,342	3,252	2,193
Other income and gain	2,456	5,394	674	717	950
Selling and distribution expenses	(4,316)	(8,852)	(8,873)	(6,662)	(6,131)
Administrative expenses	(13,767)	(4,795)	(3,646)	(2,867)	(6,406)
Share of results of a joint venture	723	1,436	1,108	801	679
Finance costs	(82)	(95)	(94)	(52)	(167)
Loss before taxation	(18,323)	(4,513)	(6,489)	(4,811)	(8,882)
Taxation	(97)	(27)	(14)	1	7
Loss for the year/period	(18,420)	(4,540)	(6,503)	(4,810)	(8,875)
Other comprehensive loss, net of tax					
Item that may be reclassified subsequently to profit or loss:					
Share of other comprehensive loss of a joint venture	(79)	(20)	(813)	(849)	(82)
Other comprehensive loss for the year/period	(79)	(20)	(813)	(849)	(82)
Total comprehensive loss for the year/period, net of tax	(18,499)	(4,560)	(7,316)	(5,659)	(8,957)
Loss for the year/period attributable to Owner of the Disposal Company	(18,420)	(4,540)	(6,503)	(4,810)	(8,875)
Total comprehensive loss attributable to Owner of the Disposal Company	(18,499)	(4,560)	(7,316)	(5,659)	(8,957)

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	
At as 1 January 2013	390	233,605	(45,781)	1,520	(59,000)	130,734
Loss for the year	-	-	-	-	(18,420)	(18,420)
Other comprehensive loss for the year:						
Share of other comprehensive loss of a joint venture	-	-	-	(79)	-	(79)
Total comprehensive loss for the year	-	-	-	(79)	(18,420)	(18,499)
At as 31 December 2013 and 1 January 2014	390	233,605	(45,781)	1,441	(77,420)	112,235
Loss for the year	-	-	-	-	(4,540)	(4,540)
Other comprehensive loss for the year:						
Share of other comprehensive loss of a joint venture	-	-	-	(20)	-	(20)
Total comprehensive loss for the year	-	-	-	(20)	(4,540)	(4,560)
At as 31 December 2014 and 1 January 2015	390	233,605	(45,781)	1,421	(81,960)	107,675
Issue of ordinary shares	11,000	-	-	-	-	11,000
Loss for the year	-	-	-	-	(6,503)	(6,503)
Other comprehensive loss for the year:						
Share of other comprehensive loss of a joint venture	-	-	-	(813)	-	(813)
Total comprehensive loss for the year	-	-	-	(813)	(6,503)	(7,316)
As at 31 December 2015	<u>11,390</u>	<u>233,605</u>	<u>(45,781)</u>	<u>608</u>	<u>(88,463)</u>	<u>111,359</u>

APPENDIX II
**FINANCIAL INFORMATION OF THE
DISPOSAL GROUP**

	Unaudited					Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Translation reserve HK\$'000	Accumulated losses HK\$'000	
As at 1 January 2016	11,390	233,605	(45,781)	608	(88,463)	111,359
Loss for the period	-	-	-	-	(8,875)	(8,875)
Other comprehensive loss for the period: Share of other comprehensive loss of a joint venture	-	-	-	(82)	-	(82)
Total comprehensive loss for the period	-	-	-	(82)	(8,875)	(8,957)
At as 30 September 2016	11,390	233,605	(45,781)	526	(97,338)	102,402
At as 1 January 2015	390	233,605	(45,781)	1,421	(81,960)	107,675
Issue of ordinary shares	7,500	-	-	-	-	7,500
Loss for the period	-	-	-	-	(4,810)	(4,810)
Other comprehensive loss loss for the period: Share of other comprehensive loss of a joint venture	-	-	-	(849)	-	(849)
Total comprehensive loss for the period	-	-	-	(849)	(4,810)	(5,659)
At as 30 September 2015	7,890	233,605	(45,781)	572	(86,770)	109,516

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited				
	Year ended 31 December			Nine months ended 30 September	
	2013 HK\$'000	2014 HK\$'000	2015 HK\$'000	2015 HK\$'000	2016 HK\$'000
Operating activities					
Loss before taxation	(18,323)	(4,513)	(6,489)	(4,811)	(8,882)
Adjustments for:					
Depreciation of					
plant and equipment	1,739	472	306	190	277
Finance costs	82	95	94	52	167
Reversal of impairment loss recognised on inventories	(1,897)	(4,193)	(839)	–	–
Reversal of impairment loss of trade receivables	–	(3,294)	–	–	–
Impairment loss on trade receivables	1,707	–	–	–	–
Allowance for inventories	365	–	–	–	–
Written off of plant and equipment	2,828	–	–	–	–
Loss on disposal of plant and equipment	–	–	–	–	82
Share of result of a joint venture	(723)	(1,436)	(1,108)	(801)	(679)
Net foreign exchange (gain)/loss	–	(675)	(259)	(345)	425
Operating cash flows before movements in working capital	(14,222)	(13,544)	(8,295)	(5,715)	(8,610)
Decrease/(increase) in inventories	15,341	–	871	(7,356)	(1,934)
(Increase)/decrease in trade receivables, other receivables, deposits and prepayments	(2,818)	17,166	(3,160)	2,814	7,163
Decrease/(increase) in amount due from an immediate holding company	241	162	(131)	(131)	–
Increase/(decrease) in trade and other payables and accruals	1,163	(4,062)	1,800	3,399	(1,010)
Cash used in operating activities	(295)	(278)	(8,915)	(6,989)	(4,391)
Income tax paid	(97)	–	–	–	–
Net cash used in operating activities	(392)	(278)	(8,915)	(6,989)	(4,391)

APPENDIX II
**FINANCIAL INFORMATION OF THE
DISPOSAL GROUP**

	Unaudited				
	Year ended 31 December			Nine months ended 30 September	
	2013 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2016 <i>HK\$'000</i>
Investing activities					
Advance to a joint venture	(23)	392	(75)	(75)	–
Purchase of plant and equipment	–	–	–	–	(32)
Proceeds from sales of plant and equipment	–	–	–	–	171
Dividend from a joint venture	819	854	831	829	811
Net cash generated from investing activities	<u>796</u>	<u>1,246</u>	<u>756</u>	<u>754</u>	<u>950</u>
Financing activities					
Proceeds from issue of shares	–	–	11,000	7,500	–
Proceeds from other loans	–	–	1,846	1,846	489
Repayment of obligation under finance lease	(419)	(594)	(732)	(545)	(546)
Addition obligation under finance lease	–	–	–	–	441
Finance lease charges paid	(64)	(95)	(49)	(40)	(48)
Interest paid	(18)	–	(45)	(12)	(119)
Cash (used in)/generated from financing activities	<u>(501)</u>	<u>(689)</u>	<u>12,020</u>	<u>8,749</u>	<u>217</u>
Net (decrease)/increase in cash and cash equivalents	<u>(97)</u>	<u>279</u>	<u>3,861</u>	<u>2,514</u>	<u>(3,224)</u>
Cash and cash equivalents at beginning of the year/period	<u>1,011</u>	<u>914</u>	<u>1,193</u>	<u>1,193</u>	<u>5,054</u>
Cash and cash equivalents at the end of the year/period	<u><u>914</u></u>	<u><u>1,193</u></u>	<u><u>5,054</u></u>	<u><u>3,707</u></u>	<u><u>1,830</u></u>

NOTES TO THE UNAUDITED FINANCIAL INFORMATION**1 General Information**

On 17 November 2016, Teamcom Group Limited (the “Disposal Company”, together with its subsidiaries the “Disposal Group”), the ultimate holding company of the Disposal Group, entered into an agreement to dispose 100% equity interest of the Disposal Company for a total consideration of HK\$10,000,000. Immediately after the completion of the Disposal, China Ever Grand Financial Leasing Group Co., Ltd will cease to have control over the Disposal Group.

2 Basis of Preparation

The Unaudited Financial Information of Disposal Group has been prepared in accordance with paragraph 14.68(2)(a)(i) of the Listing Rules and solely for the purpose of inclusion in the circular to be issued by the Company in connection with the disposal of the 100% interest of issued share capital of Disposal Group.

The Unaudited Financial Information of the Disposal Group has been prepared in accordance with the accounting policies adopted by the Company as set out in its annual report for the year ended 31 December 2015, which conform with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants. The Unaudited Financial Information is prepared by the Directors solely for the purpose of inclusion in this circular and has been prepared under the historical cost. The Unaudited Financial Information of the Disposal Group has been prepared under the historical cost convention, and is presented in Hong Kong dollar. All values are rounded to the nearest thousand (HK\$'000) except when otherwise indicated.

The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard 1 (Revised) “Presentation of Financial Statements” or an interim financial report as defined in Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

Deloitte.**德勤****INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of China Ever Grand Financial Leasing Group Co., Ltd.**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Ever Grand Financial Leasing Group Co., Ltd. (the “Company”) and its subsidiaries (hereinafter collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2016, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015, the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2015 and related notes as set out on pages III-4 to III-13 of the circular issued by the Company dated 16 December 2016 (the “Circular”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages III-4 to III-13 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed disposal of entire equity interests in Teamcom Group Limited on the Group’s financial position as at 30 June 2016 and the Group’s financial performance and cash flows for the year ended 31 December 2015 as if the transaction had taken place at 30 June 2016 and 1 January 2015 respectively. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s condensed consolidated financial statements for the six months ended 30 June 2016, on which no auditor’s report or review conclusion has been published, and the Group’s financial performance and cash flows has been extracted by the Directors from the Group’s consolidated financial statements for the year ended 31 December 2015, on which an auditor’s report has been published.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2016 or 1 January 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

16 December 2016

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP**INTRODUCTION**

In connection with proposed disposal of the entire equity interests in Teamcom Group Limited (together with its subsidiaries, the “Disposal Group”) by China Ever Grand Financial Leasing Group Co., Ltd. (the “Company”) and its subsidiaries (the “Group”, exclusion of the Disposal Group hereinafter referred to as the “Remaining Group”) (the “Disposal”), the unaudited pro forma financial information of the Remaining Group has been prepared to illustrate the effect of the Disposal on the Group’s financial position as at 30 June 2016 and the Group’s financial performance and cash flows for the year ended 31 December 2015 as if the Disposal had been taken place at 30 June 2016 and 1 January 2015 respectively.

The unaudited pro forma consolidated statement of financial position of the Remaining Group is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2016 which has been extracted from the published interim report of the Company for the six months ended 30 June 2016.

The unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Remaining Group are prepared based on the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2015 as extracted from the published annual report of the Company for the year ended 31 December 2015.

The unaudited pro forma financial information of the Remaining Group has been prepared by the directors of the Company in accordance with paragraph 29 of Chapter 4 of the Listing Rules and is solely for the purpose to illustrate (a) the financial position of the Remaining Group as if the Disposal had been completed on 30 June 2016; and (b) the financial results and cash flows of the Remaining Group as if the Disposal had been completed on 1 January 2015.

The unaudited pro forma financial information of the Remaining Group is prepared based on the aforesaid historical data after giving effect to the pro forma adjustments described in the accompanying notes. Narrative description of the pro forma adjustments of the proposed Disposal that are (i) directly attributable to the transactions; and (ii) factually supportable, is summarised in the accompanying notes.

The unaudited pro forma financial information of the Remaining Group has been prepared by the directors of the Company based on certain assumptions, estimates and uncertainties for illustrative purposes only and because of its hypothetical nature, the unaudited pro forma financial information of the Remaining Group may not purport to predict the financial position of the Remaining Group as at 30 June 2016 or at any future dates or the financial results and cash flows for the year ended 31 December 2015 or for any future periods upon completion of the Disposal.

The unaudited pro forma financial information of the Remaining Group should be read in conjunction with the historical financial information of the Group as set out in Appendix I to this circular and the financial information of the Disposal Group as set out in Appendix II to this circular, and other financial information included elsewhere in this circular.

APPENDIX III

**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION
OF THE REMAINING GROUP**

AS AT 30 JUNE 2016

	The Group	Pro forma adjustments		The Remaining Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	
Non-current assets				
Plant and equipment	27,445	(1,289)		26,156
Available-for-sale investments	25,800			25,800
Goodwill	39,564			39,564
Interests in joint ventures	784,531	(9,485)		775,046
Finance lease receivables	518,842			518,842
Club debentures	350	(350)		–
	<u>1,396,532</u>			<u>1,385,408</u>
Current assets				
Inventories	9,804	(9,804)		–
Trade receivables, other receivables, deposits and prepayments	94,878	(18,405)		76,473
Consideration receivable	–		4,651	4,651
Other loan receivables	30,000			30,000
Amount due from a joint venture	466	(466)		–
Held for trading investments	119,515			119,515
Amount due from the Remaining Group	–	(73,623)	73,623	–
Deposits placed with financial institutions	1,830			1,830
Restricted deposits and bank deposits	131,406			131,406
Bank balances and cash	362,765	(4,124)	3,000	361,641
	<u>750,664</u>			<u>725,516</u>
Current liabilities				
Trade and other payables and accruals	269,629	(6,976)		262,653
Taxation payable	37,308	(1,915)		35,393
Obligations under finance leases	401	(401)		–
Other loans	3,500	(3,500)		–
	<u>310,838</u>			<u>298,046</u>
Net current assets	<u>439,826</u>			<u>427,470</u>
Total assets less current liabilities	<u>1,836,358</u>			<u>1,812,878</u>

APPENDIX III**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	The Group	Pro forma adjustments		The Remaining Group
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(Note 1)</i>	<i>(Note 2)</i>	<i>(Note 3)</i>	
Capital and reserves				
Share capital	119,192			119,192
Reserves	<u>1,083,754</u>		(22,830)	<u>1,060,924</u>
Equity attributable to the owners of the Company	1,202,946			1,180,116
Non-controlling interests	<u>121,030</u>			<u>121,030</u>
Total equity	<u>1,323,976</u>			<u>1,301,146</u>
Non-current liabilities				
Obligations under finance leases	353	(353)		-
Borrowings	496,200			496,200
Deferred tax liabilities	<u>15,829</u>	(297)		<u>15,532</u>
	<u>512,382</u>			<u>511,732</u>
	<u>1,836,358</u>			<u>1,812,878</u>

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**
**UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME OF THE REMAINING GROUP
FOR THE YEAR ENDED 31 DECEMBER 2015**

	The Group	Pro forma adjustments			The Remaining Group
	<i>HK\$'000</i> (Note 4)	<i>HK\$'000</i> (Note 5)	<i>HK\$'000</i> (Note 6)	<i>HK\$'000</i> (Note 7)	<i>HK\$'000</i>
Revenue	82,767	(82,767)			–
Cost of sales	<u>(78,425)</u>	78,425			<u>–</u>
Gross profit	4,342				–
Other income and gain	29,583	(674)		349	29,258
Selling and distribution expenses	(8,873)	8,873			–
Administrative expenses	(66,871)	3,646			(63,225)
Loss on disposal of subsidiaries	–		(25,111)		(25,111)
Impairment loss on available-for-sale investment	(500)				(500)
Decrease in fair value of convertible bonds designated as financial assets at fair value through profit or loss	(8,778)				(8,778)
Increase in fair value of held for trading investments	2,387				2,387
Share of results of joint ventures	48,698	(1,108)			47,590
Finance costs	<u>(94)</u>	94			<u>–</u>
Loss before taxation	(106)				(18,379)
Taxation	<u>3,554</u>	14			<u>3,568</u>
Profit (loss) for the year	3,448				(14,811)
Other comprehensive loss:					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences arising on translation	(48)				(48)
Reclassification of exchange difference upon disposal of the Disposal Group			(1,421)		(1,421)
Share of other comprehensive loss of joint ventures	<u>(49,027)</u>	813			<u>(48,214)</u>
Total comprehensive loss for the year	<u>(45,627)</u>				<u>(64,494)</u>
Profit (loss) for the year attributable to:					
Owners of the Company	<u>3,448</u>				<u>(14,811)</u>
Total comprehensive loss for the year attributable to:					
Owners of the Company	<u>(45,627)</u>				<u>(64,494)</u>

APPENDIX III**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP****UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	The Group		Pro forma adjustments			The
	<i>HK\$'000</i> <i>(Note 4)</i>	<i>HK\$'000</i> <i>(Note 8)</i>	<i>HK\$'000</i> <i>(Note 6)</i>	<i>HK\$'000</i> <i>(Note 7)</i>	<i>HK\$'000</i> <i>(Note 9)</i>	Remaining Group <i>HK\$'000</i>
OPERATING ACTIVITIES						
Loss before taxation	(106)	6,489	(25,111)	349		(18,379)
Adjustments for:						
Change in fair value of convertible bonds designated as financial assets at fair value through profit or loss	8,778					8,778
Change in fair value of held for trading investments	(2,387)					(2,387)
Loss on disposal of subsidiaries	-		25,111			25,111
Depreciation of plant and equipment	568	(306)				262
Finance costs	94	(94)				-
Interest income	(3,582)			(349)		(3,931)
Impairment loss on available- for-sale investments	500					500
Reversal of impairment loss recognised on inventories	(839)	839				-
Realised gain on held for trading investments	(25,183)					(25,183)
Share of results of joint ventures	(48,698)	1,108				(47,590)
Net foreign exchange gain	(259)	259				-
Operating cash flows before movements in working capital	(71,114)					(62,819)
Decrease in inventories	871	(871)				-
(Increase) decrease in trade receivables, other receivables, deposits and prepayments	(825)	3,160			131	2,466
Increase in amount due from an immediate holding company	-	131			(131)	-
Increase in held for trading investments	(38,891)					(38,891)
Proceeds from held for trading investments	175,829					175,829
Increase in deposits placed with financial institutions	(47,669)					(47,669)
Decrease in trade and other payables and accruals	(18,243)	(1,800)				(20,043)
Cash (used) from in operations	(42)					8,873
Income taxes refunded	5,946					5,946
NET CASH FROM OPERATING ACTIVITIES	5,904					14,819

APPENDIX III
**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

	The Group		Pro forma adjustments		The Remaining Group	
	<i>HK\$'000</i> (Note 4)	<i>HK\$'000</i> (Note 8)	<i>HK\$'000</i> (Note 6)	<i>HK\$'000</i> (Note 7)	<i>HK\$'000</i> (Note 9)	<i>HK\$'000</i>
INVESTING ACTIVITIES						
Purchase of plant and equipment	(32)					(32)
Disposal of subsidiaries	-		1,807			1,807
Advance to a joint venture	(75)	75				-
Dividend from joint ventures	104,924	(831)				104,093
Purchases of convertible bonds	(65,000)					(65,000)
Interest received	<u>1,982</u>					<u>1,982</u>
NET CASH FROM INVESTING ACTIVITIES	<u>41,799</u>					<u>42,850</u>
FINANCING ACTIVITIES						
Proceeds from issue of shares	-	(11,000)			11,000	-
Interest paid	(45)	45				-
Repayments of obligations under finance leases	(732)	732				-
Finance lease charges paid	(49)	49				-
Proceed from other loans	<u>1,846</u>	(1,846)				<u>-</u>
NET CASH FROM FINANCING ACTIVITIES	<u>1,020</u>					<u>-</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	48,723					57,669
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	<u>346,144</u>					<u>346,144</u>
CASH AND CASH EQUIVALENT AT END OF THE YEAR	<u><u>394,867</u></u>					<u><u>403,813</u></u>

Notes:

- (1) Figures are extracted from the unaudited condensed consolidated statement of financial position of the Group as set out in the interim report of the Company for the six months ended 30 June 2016.
- (2) The adjustment represents the exclusion of the assets and liabilities of the Disposal Group as at 30 June 2016, assuming the Disposal had taken place on 30 June 2016.

- (3) The adjustment reflects the pro forma loss on disposal of the Disposal Group, assuming the Disposal had taken place on 30 June 2016:

	<i>HK\$'000</i>
Calculation of pro forma loss on disposal of the Disposal Group:	
Fair value of consideration (<i>note a</i>)	9,651
Waiver of amount due to the Disposal Group (<i>note b</i>)	73,623
Net assets of the Disposal Group as at 30 June 2016	(104,104)
Reclassification of cumulative translation reserve upon disposal of the Disposal Group to profit or loss	605
Estimated professional fees and other expenses directly attributable to the Disposal (<i>note c</i>)	<u>(2,000)</u>
	<u><u>(22,225)</u></u>

- (a) The cash consideration of HK\$10,000,000 will be settled in two instalments. The first instalment in the sum of HK\$5,000,000 is to be paid upon the completion of the Disposal, and the second instalment in the sum of HK\$5,000,000 is to be paid on or before the date falling on the date of the first anniversary of the completion date of the Disposal. Fair value of the consideration is assumed to be HK\$9,651,000, which estimates at the present value of total consideration discounted at an effective interest rate of 7.5% per annum.
- (b) The Company and the Disposal Group entered into waiver documents, pursuant to which the Disposal Group would waive the amount due from the Remaining Group, which was HK\$73,623,000 as if the Disposal had been taken place on 30 June 2016.
- (c) The amount of professional fees and other expenses directly attributable to the Disposal is estimated by directors of the Company and assumed that they were settled by cash.
- (4) Figures are extracted from the audited consolidated statement of profit or loss and other comprehensive income and consolidated statement of cash flows of the Group respectively, as set out in the annual report of the Company for the year ended 31 December 2015.
- (5) The adjustment represents the exclusion of the results of the Disposal Group for the year ended 31 December 2015, assuming the Disposal had been taken place on 1 January 2015. The results of the Disposal Group are extracted from the consolidated statement of profit or loss and other comprehensive income of the Disposal Group set out in Appendix II to this Circular.

APPENDIX III**UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE REMAINING GROUP**

- (6) The adjustment reflects the pro forma loss on disposal of the Disposal Group, assuming the Disposal had taken place on 1 January 2015:

	<i>HK\$'000</i>
Calculation of pro forma loss on disposal of the Disposal Group:	
Fair value of consideration (<i>note a</i>)	9,651
Waiver of amount due to the Disposal Group (<i>note b</i>)	73,492
Net assets of the Disposal Group as at 1 January 2015 (<i>note c</i>)	(107,675)
Reclassification of cumulative translation reserve upon disposal of the Disposal Group to profit or loss	1,421
Estimated professional fees and other expenses directly attributable to the Disposal (<i>note d</i>)	<u>(2,000)</u>
	<u><u>(25,111)</u></u>
Cash received upon the Disposal	5,000
Less: Estimated professional fees and other expenses directly attributable to the Disposal (<i>note d</i>)	(2,000)
Less: Bank balances and cash of the Disposal Group as at 1 January 2015	<u>(1,193)</u>
Net cash received upon the Disposal as at 1 January 2015	<u><u>1,807</u></u>

- (a) Fair value of the consideration is assumed to be HK\$9,651,000, which estimates at the present value of total consideration of HK\$10,000,000 discounted at an effective interest rate of 7.5% per annum.
- (b) The amount due from the Remaining Group to the Disposal Group as at 1 January 2015 is assumed to be the same as the carrying amount as at 31 December 2014.
- (c) Net assets of the Disposal Group as at 1 January 2015 are assumed to be the same as the carrying amounts as at 31 December 2014 and are extracted from the consolidated statement of financial position of the Disposal Group set out in Appendix II to this circular.
- (d) The amount of professional fees and other expenses directly attributable to the Disposal is estimated by directors of the Company and assumed that they were settled by cash.
- (7) The adjustment represents imputed interest income from consideration receivable for the year ended 31 December 2015 assuming the Disposal had taken place on 1 January 2015.

- (8) The adjustment represents the exclusion of the cash flows of the Disposal Group assuming the Disposal had taken place on 1 January 2015. The cash flows of the Disposal Group are extracted from the consolidated statement of cash flows of the Disposal Group set out in Appendix II to this circular.
- (9) The adjustment represents the reclassification of cash flows relating to repayment of amount due from the Remaining Group to the Disposal Group of HK\$131,000 and the adjustment of proceeds received from the Remaining Group upon the issue of shares by the Disposal Group of HK\$11,000,000. In the opinion of the directors, the Remaining Group will not further subscribe the shares in Teamcom Group Limited if the Disposal had been taken place on 1 January 2015.
- (10) The above pro forma adjustments will have no continuing effect on the Remaining Group in the subsequent reporting periods.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors 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, 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.

2. DISCLOSURE OF INTERESTS

Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of the Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange were as follows:

Interests and short positions in shares and underlying shares of the Company

Name of Director	Note	Number of Shares held or short positions, capacity and nature of interest		Percentage of the Company's issued share capital
		Personal interests	Corporate interests	
Mr. Wong Lik Ping	(1 & 2)	466,000,000 (S)	1,455,000,000 (S)	16.12%
Ms. Yeung Sau Han Agnes		27,250,000 (L)	–	0.23%
Mr. Cheng Kwok Woo		6,500,000 (L)	–	0.05%

L: Long position

S: Short position

Notes:

- (1) 1,455,000,000 Shares are beneficially owned by Worldkin Development Limited (“**Worldkin**”) which is wholly-owned by Mr. Wong Lik Ping. Mr. Wong Lik Ping is therefore deemed to be interested in the shares held by Worldkin which represent approximately 12.21% of the issued share capital of the Company.
- (2) The 1,921,000,000 Shares in which Mr. Wong Lik Ping is interested are pledged to Active Way International Limited.

Save as disclosed herein, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) where were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which had, or was deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. COMPETING INTEREST

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or their respective associates had any interest in a business which competes or may compete, either directly or indirectly, with the business of the Group, or have or may have any other conflicts of interest with the Group.

4. DIRECTORS’ SERVICE CONTRACTS

None of the Directors had entered or been proposed to enter into any service contract with the Company or any other member of the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation) as at the Latest Practicable Date.

5. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

Details of the related party transactions are set out in note 33 to the financial statements of the Group for the year ended 31 December 2015 in the annual report of the Company. Save as disclosed above, as at the Latest Practicable Date, no Director had a material interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party. As at the Latest Practicable Date, save as disclosed in this circular, none of the Directors had any interest, directly or indirectly, in any assets which have been, since 31 December 2015 (being the date to which the latest published audited consolidated accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the Group within the two years immediately preceding the date of this circular and are or may be material:

- (a) the disposal agreement dated 21 December 2014, entered into between Upmove International Limited (“**Upmove**”), a wholly-owned subsidiary of the Company, 日照港股份有限公司 (Rizhao Port Company Limited**) (“**Rizhao Port**”), 上海穀隆投資有限公司 (Shanghai Gulong Investments Limited**) (“**Shanghai Gulong**”) and 新加坡石化發展有限公司 (Singapore Petrochemical & Energy Development Pte. Ltd.) (“**Singapore Energy**”) in respect of the disposal of 50% interest in 日照嵐山萬盛港業有限責任公司 (Rizhao Lanshan Wansheng Harbour Company Limited**) (“**Rizhao Lanshan**”), where each of Rizhao Port, Shanghai Gulong and Singapore Energy has agreed to acquire, and Upmove has agreed to sell, the aggregate 50% interests of Rizhao Lanshan for a total consideration of RMB900,000,000 (equivalent to approximately HK\$1,134,000,000) on and subject to the terms and conditions of the disposal agreement;
- (b) The capital increase agreement dated 17 January 2015, entered into between Upmove, a wholly-owned subsidiary of the Company, and the Rizhao Port, which is the joint venture partner holding 50% equity interest in the joint venture company of the Group, where the Upmove and the Rizhao Port agreed to make a capital increase in an amount of RMB50 million each to the joint venture company to increase the joint venture company’s registered capital from RMB330 million to RMB430 million;

- (c) the agreement dated 9 February 2015, entered into between Sino Coronet Limited, which is wholly-owned by Mr. So Chi Yuk who is the brother-in-law of Ms. Yeung Sau Han Agnes, a Director of the Company, and Elegant Basic Investments Limited, a wholly-owned subsidiary of the Company, where Elegant Basic Investments Limited agreed to purchase, and Sino Coronet Limited agreed to sell, the convertible bonds issued by China Eco-Farming Limited, whose issued shares are listed on GEM (Stock Code: 8166), with a principal amount of HK\$6,500,000 convertible into 325,000,000 conversion shares at an initial conversion price of HK\$0.02 per conversion share (subject to adjustment) for a cash consideration of HK\$65,000,000;
- (d) the acquisition agreement dated 21 July 2015, entered into between Harvest Castle Holdings Limited, a wholly-owned subsidiary of the Company and Mr. Wong Lik Ping, a Director of the Company, where Harvest Castle Holdings Limited has agreed to acquire, and Mr. Wong Lik Ping has agreed to sell, the entire issued share capital of China Ever Grand Capital Group Limited and the shareholder's Loan at a consideration of RMB170,847,000 (equivalent to approximately HK\$213,558,750), on and subject to the terms and conditions of the acquisition agreement;
- (e) the capital injection agreement dated 21 July 2015, entered into between Hong Kong Ever Grand Capital Limited, a wholly-owned subsidiary of the Company and Zhong An Equity Investment Fund Management (Tianjin) Limited in respect of the capital injection in a jointly owned company, Beijing Ever Grand International Finance Lease Co., Ltd., where Hong Kong Ever Grand Capital Limited has agreed to contribute an increased amount of US\$6 million (equivalent to approximately HK\$47 million) in Beijing Ever Grand International Finance Lease Co., Ltd., on and subject to the terms and conditions of the capital injection agreement; and
- (f) the Disposal Agreement.

7. EXPERT AND CONSENT

The following is the qualification of the experts or professional advisers who have given opinions or advices contained in this circular:

Name	Qualification
HLB Hodgson Impey Cheng Limited	Certified Public Accountants
Deloitte Touche Tohmatsu	Certified Public Accountants

As at the Latest Practicable Date, both HLB Hodgson Impey Cheng Limited and Deloitte Touche Tohmatsu have given and have not withdrawn their written consents to the issue of this circular with the inclusion of their letters and references to their names in the form and context in which they respectively appear.

As at the Latest Practicable Date, both HLB Hodgson Impey Cheng Limited and Deloitte Touche Tohmatsu did not have any shareholding in any member of the Remaining Group or any right (whether legally enforceable or not) to subscribe for securities in any member of the Remaining Group.

As at the Latest Practicable Date, both HLB Hodgson Impey Cheng Limited and Deloitte Touche Tohmatsu were not interested, directly or indirectly, in any assets which have been or are proposed to be acquired or disposed of by or leased to any member of the Remaining Group since 31 December 2015, the date to which the latest audited financial statements of the Company were made up.

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries were engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

9. GENERAL

- (a) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business in Hong Kong of the Company is situated at Room 2203, 22/F, Kwan Chart Tower, No. 6 Tonnochy Road, Wanchai, Hong Kong.
- (c) The branch share registrar and the transfer office of the Company in Hong Kong is Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The joint company secretaries of the Company are Mr. Li Chak Hung and Mr. Lai Ka Fai, Mr. Li Chak Hung is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lai Ka Fai is a solicitor of the High Court of the Hong Kong Special Administrative Region.
- (e) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on Business Days at the office of the Company at Room 2203, 22/F., Kwan Chart Tower, No. 6 Tonnochy Road, Wanchai, Hong Kong from the date of this circular up to and including the date of the EGM:

- (a) the memorandum and articles of association of the Company;
- (b) the Disposal Agreement;
- (c) the accountants' report on the Disposal Company, the text of which is set out in Appendix II to this circular;
- (d) the assurance report in respect of the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular;
- (e) the letters of consent referred to under the paragraph headed "Expert and Consent" in this appendix;
- (f) the annual reports of the Company for the years ended 31 December 2014 and 31 December 2015, respectively;
- (g) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix; and
- (h) this circular.

NOTICE OF EGM



中國恒嘉融資租賃集團有限公司

CHINA EVER GRAND FINANCIAL LEASING GROUP CO., LTD.

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 379)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of China Ever Grand Financial Leasing Group Co., Ltd (the “**Company**”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Thursday, 5 January 2017 at 11:00 a.m. to consider and, if thought fit, pass with or without modification, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (a) the agreement dated 17 November 2016 (the “**Disposal Agreement**”) (copy of which, signed by the Chairman of the meeting for the purposes of identification, has been produced to the meeting marked “A”) entered into among Lucky Ride Investments Limited as vendor and Harmonic Lead Limited as purchaser in relation to, among others, the disposal of the entire equity interests in Teamcom Group Limited for a consideration of HK\$10,000,000 and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any one of the Directors be and is authorised to do all such acts and things, to sign and execute such documents or agreements or deeds on behalf of the Company and to do such other things and to take all such actions as he/she may consider necessary, appropriate, desirable and expedient for the purposes of giving effect to or in connection with the Disposal Agreement and all transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof, which are not fundamentally different from those as provided in the Disposal Agreement) as are, in the opinion of the Directors or the duly authorised committee, in the interest of the Company and its shareholders as a whole.”

By order of the Board

China Ever Grand Financial Leasing Group Co., Ltd

Lai Ka Fai

Executive Director

Hong Kong, 16 December 2016

NOTICE OF EGM

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 2203, 22/F.,
Kwan Chart Tower,
No. 6 Tonnochy Road,
Wanchai,
Hong Kong

Notes:

1. Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member of the Company who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company. In addition, a proxy or proxies representing either a member of the Company who is an individual or a member of the Company which is a corporation is entitled to exercise the same powers on behalf of the member of the Company which he or they represent as such member of the Company could exercise.
2. The instrument appointing a proxy shall 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 its seal or under the hand of an officer, attorney or other person authorised to sign the same. In the case of an instrument of proxy purporting to be signed on behalf of a corporation by an officer thereof it shall be assumed, unless the contrary appears, that such officer was duly authorised to sign such instrument of proxy on behalf of the corporation without further evidence of the fact.
3. The instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, shall be delivered to the Company's branch share registrar in Hong Kong, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not less than forty-eight (48) hours before the time appointed for holding the meeting or adjourned meeting thereof at which the person named in the instrument proposes to vote, and in default the instrument of proxy shall not be treated as valid.
4. Delivery of an instrument appointing a proxy shall not preclude a member of the Company from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
5. Where there are joint holders of any share any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.