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INTERNATIONAL ALLIANCE FINANCIAL LEASING CO., LTD.

国际友联融资租赁有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1563)

**MAJOR TRANSACTION AND CONTINUING CONNECTED TRANSACTION:
FINANCE LEASING FRAMEWORK AGREEMENT**

FINANCE LEASING FRAMEWORK AGREEMENT

Reference is made to the announcement of the Company dated 23 August 2019 in relation to the Finance Leasing Framework Agreement.

The Board is pleased to announce that on 20 September 2019, the Company entered into the Finance Leasing Framework Agreement with Nanshan Group, pursuant to which the Group agreed to provide Finance Leasing Service to Nanshan Group. The Finance Leasing Framework Agreement shall be effective for three (3) years from the fulfilment or waiver (if applicable) of the Conditions Precedent.

LISTING RULES IMPLICATIONS

The transactions contemplated under the Finance Leasing Framework Agreement will constitute transactions under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) calculated in accordance with the Listing Rules in respect of the transactions contemplated under Finance Leasing Framework Agreement exceed 25% but less than 100%, the transactions contemplated thereunder constitute a major transaction for the Company, subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Nanshan Group is owned as to 51% by the village member committee of Nanshan Village and 49% by Mr. Song Zuowen. Mr. Song Zuowen is the father-in-law of Ms. Sui Yongqing, one of the Controlling Shareholders, and his brother is the father-in-law of Mr. Song Jianpeng, the Chairman of the Group and the non-executive Director. For the purpose of the connected transaction rules under the Listing Rules, the Directors considered Nanshan Group to be deemed connected persons under Rule 14A.21 of the Listing Rules.

Accordingly, the Finance Leasing Framework Agreement will also constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Annual Caps are more than 5%, the transactions contemplated thereunder are subject to the announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, pursuant to Rule 14A.52 of the Listing Rules, as the term of the Individual Agreement to be entered into pursuant to the Finance Leasing Framework Agreement may exceed three (3) years, the Company has appointed Lego as the Independent Financial Adviser to explain why the Individual Agreement requires a longer period and to confirm that it is a normal business practice for agreements of this type to be of such duration.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the Finance Leasing Framework Agreement, the transactions contemplated thereunder and the Annual Caps. Lego has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

At the EGM, resolutions will be proposed by the Company to seek the Independent Shareholders' approval on the Finance Leasing Framework Agreement, the transactions contemplated thereunder and the Annual Caps. Union Capital, JinChuang and their respective associates will abstain from voting for the proposed resolutions at the EGM. The proposed resolutions will be passed by way of ordinary resolutions and voted on by way of poll in accordance with the requirement of the Listing Rules.

CIRCULAR

A circular containing, among others, (1) details of the Finance Leasing Framework Agreement and the transactions contemplated thereunder; (2) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Finance Leasing Framework Agreement, the transactions contemplated thereunder and the Annual Caps; (3) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Finance Leasing Framework Agreement, the transactions contemplated thereunder, the Annual Caps and the duration of the Individual Agreements; (4) such other information as required under the Listing Rules; and (5) a notice convening the EGM will be despatched to the Shareholders on or before 15 October 2019, as more time is required to finalise the circular.

FINANCE LEASING FRAMEWORK AGREEMENT

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The Board is pleased to announce that on 20 September 2019, the Company entered into the Finance Leasing Framework Agreement with Nanshan Group, pursuant to which the Group agreed to provide Finance Leasing Service to Nanshan Group. The Finance Leasing Framework Agreement shall be effective for three (3) years from the date of approval of the Finance Leasing Framework Agreement by the Independent Shareholders at the EGM.

The principal terms of the Finance Leasing Framework Agreement are set out as follows:

Date

20 September 2019

Parties

- (1) the Company (for itself and its subsidiaries); and
- (2) Nanshan Group (for itself and its subsidiaries)

Subject of the transaction

The Company will provide Finance Leasing Service in relation to the Leased Assets by way of, including but not limited to, sale-leaseback service and direct finance leasing service:

- (1) under sale-leaseback service, Nanshan Group (as lessee) sells the Leased Assets to the Company (as lessor) at a negotiated purchase price, and the Company then leases the Leased Assets back to Nanshan Group for its use in return for periodic lease payments; and
- (2) under the direct finance leasing service, the Company (as lessor) will purchase the Leased Assets from the relevant supplier or seller pursuant to the instructions given by Nanshan Group (as lessee), and the Company then leases the Leased Assets to Nanshan Group for its use in return for periodic lease payments.

Duration and Conditions Precedent

The term of the Finance Leasing Framework Agreement, the transactions contemplated thereunder and the Annual Caps shall be effective for three (3) years from the date of the fulfilment or waiver (if applicable) of the following Conditions Precedent:

- (1) the approval of the Finance Leasing Framework Agreement by the Independent Shareholders at a general meeting of the Company; and
- (2) the Company and Nanshan Group having obtained all necessary consent, approval or waivers from any government or regulatory authority, including the Stock Exchange, or third parties in connection with the execution and performance of the Finance Leasing Framework Agreement and the transactions contemplated thereunder, where required.

If the Group could no longer perform, or shall delay the performance of, the obligations under the Finance Leasing Framework Agreement due to requirements of the Stock Exchange or any applicable laws and regulations (including but not limited to the Companies Ordinance and the Listing Rules), the parties agreed to amend the Finance Leasing Framework Agreement, or alter or terminate the relevant transactions according to the relevant requirements. Nanshan Group agreed not to claim any liabilities against the Group due to the above.

Separate Individual Agreements

With respect to the provision of Finance Leasing Service, the Group and the relevant Nanshan Group companies will enter into separate Individual Agreements pursuant to the Finance Leasing Framework Agreement and the transactions contemplated thereunder shall be conducted on normal commercial terms or better and major terms and conditions contemplated thereunder shall be no less favourable to the Group than the same offered to Independent Third Parties for comparable finance leasing service.

Contract period

The contract periods of the Individual Agreements with respect to Finance Leasing Service are expected to range from three to eight years, depending on the type of Leased Assets involved. The Individual Agreements may have contract periods longer than the Effective Period. The Individual Agreements duly executed shall remain to have full force and effect for their respective contract periods even if the Finance Leasing Framework Agreement is expired or terminated and is not renewed. The Company will closely monitor the effectiveness and validity of the Finance Leasing Framework Agreement and the Individual Agreements, and shall comply with the relevant requirements in accordance with the Listing Rules as and when appropriate. For the avoidance of doubt, the Finance Leasing Framework Agreement will not be renewed simply for the purpose of covering the entire period of the relevant Finance Leasing Service.

Although the contract periods of the Individual Agreements are likely to be longer than the Effective Period, the Annual Caps to be approved by Independent Shareholders will limit to the aggregate transaction amounts contemplated under all Individual Agreements that can only be signed within the Effective Period of the Finance Leasing Framework Agreement.

Interests and fees

The interest rate and relevant fees to be agreed for the Finance Leasing Service shall be fair and reasonable and on normal commercial terms or better. In particular, when determining the effective interest rate, the Group shall make reference to the following non-exhaustive factors:

- (1) the benchmark lending rates published by PBOC;
- (2) the effective interest rate of the relevant Individual Agreement shall not be lower than the secured lending rate for the borrowings granted to Nanshan Group by financial institutions;
- (3) in the event that the Group is unable to reasonably obtain the relevant information in relation to the secured lending rate for the borrowings granted to Nanshan Group by financial institutions, the funding costs incurred by the Group at the time of entering into of the relevant Individual Agreement;
- (4) the quotations for similar finance leasing services offered by the Company to at least two (2) or three (3) Independent Third Party customers, so as to ensure that the relevant effective interest rate and fees of the Finance Leasing Service provided by the Company to Nanshan Group shall not be lower than the average effective interest rates and fees offered by the Company to its other customers who are Independent Third Parties at the prevailing time;
- (5) the risk premium of Nanshan Group estimated based on the evaluation of applicable industry that it belongs to, its business and financial performance; and/or
- (6) all other relevant fees, including the handling fees and security deposit (if applicable).

The Company will consider the above factors and ensure that the overall terms and conditions for providing the Finance Leasing Service, including the effective interest rates and fees as well as payment conditions and other material terms, are no less favourable to the Group than the same offered by the Group to Independent Third Parties for comparable finance leasing service.

Leased Assets

It is contemplated that the Leased Assets include healthcare equipment, engineering vehicles or equipment, equipment used in power station as well as carriers for transport of goods and/or passengers.

Under both sale-leaseback service and direct finance leasing service, the ownership of the Leased Assets will be vested in the Group throughout the lease period.

As long as the type of proposed Leased Asset falls under the category set out above, the Group would have the discretion to decide whether the proposed Leased Asset is acceptable. When considering whether the proposed Leased Asset is acceptable, the Group would take in account the proposed terms of the Finance Leasing Service as a whole. The key procedures and mechanisms in making such decision are set out in the section below headed “INTERNAL CONTROL MEASURES AND RISK MANAGEMENT”.

ANNUAL CAPS AND BASIS OF DETERMINATION

The table below sets out the Annual Cap(s) for the Effective Period under the Finance Leasing Framework Agreement:

	For the year ending 31 December 2019	For the year ending 31 December 2020	For the year ending 31 December 2021	For the year ending 31 December 2022
Annual Caps	<u>RMB2,100,000 ^(Note)</u>	<u>RMB64,000,000</u>	<u>RMB120,000,000</u>	<u>RMB153,000,000 ^(Note)</u>

Note: The Annual Caps are determined on a pro-rata basis.

The relevant funds under the Finance Leasing Framework Agreement shall only be applied for the actual needs for operation of Nanshan Group.

The above Annual Caps for the Finance Leasing Framework Agreement are determined principally by reference to the following factors:

- (1) the estimated aggregate principal amounts granted to and to be utilised by Nanshan Group pursuant to the Individual Agreement to be entered into during the Effective Period, together with the relevant interest and fees including handling fee;
- (2) the development plan of Nanshan Group and the demand for Finance Leasing Service;
- (3) the nature, estimated value and expected lifespan of the Leased Assets;
- (4) the ability for the Group to provide Finance Leasing Service to Nanshan Group at the material time; and
- (5) the overall economic environment and market condition when entering into the Finance Leasing Framework Agreement.

For the avoidance of doubt, the drawdown or utilisation period for each Individual Agreement will not be limited by the Effective Period, provided that the Company shall have the right to approve each drawdown in terms of its use and fund flow, and the drawdown and transaction contemplated thereunder will not cause the aggregated annual transaction amounts under all Individual Agreements to exceed the Annual Caps.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASING FRAMEWORK AGREEMENT

The Company is an investment holding company. The Group is principally engaged in the finance leasing and advisory services to customers in the healthcare, aviation and public infrastructure industries.

Nanshan Group is a company established in the PRC with limited liability. Nanshan Group, together with its subsidiaries, are a conglomerate with principal businesses encompassing aluminium, textile apparel, finance, aviation, real estate, healthcare, education and tourism.

The Company strategically focuses its business on industries that it believes to have sustainable growth potential. The Group had established previous business relationships with Nanshan Group and its subsidiaries which have substantial assets with reliable repayment capability and is a trusted business partner. The provision of Finance Leasing Service by the Group to Nanshan Group under the Finance Leasing Framework Agreement is in the ordinary and usual course of business of the Group while the Group will in return receive a stable revenue and cashflow stream during the Effective Period.

Considering the above and the fact that Nanshan Group shall make rental/interest payment or repayment to the Group during the Effective Period, the Company is of the view that the risk exposure associated with the maximum outstanding principal under the Finance Leasing Framework Agreement is justified and acceptable to the Group.

The transactions contemplated under the Finance Leasing Framework Agreement will be funded by internal resources and bank borrowings of the Group.

The Directors (excluding Mr. Song Jianpeng who is one of the deemed connected persons under Rule 14A.21 of the Listing Rules but including the independent non-executive Directors) consider that the terms under the Finance Leasing Framework Agreement are fair and reasonable, and the transactions contemplated under the Finance Leasing Framework Agreement are on normal commercial terms or better and in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole.

INTERNAL CONTROL MEASURES AND RISK MANAGEMENT

The Group has adopted the following risk management measures and policies in relation to its finance leasing businesses to maintain the fairness of the terms and price of the transactions which shall be applied to the transactions contemplated under the Finance Leasing Framework Agreement:

1. Five-category classification

As a finance leasing company serving different industries, the Group assumes various risks in its business operations, including credit, liquidity, market, compliance, legal, operational and reputational risks, among which credit risk is its primary exposure. The Group has developed a comprehensive risk management system and controls risks through measures including due diligence on customers, independent information review and a multi-level approval process.

The Group strives to balance business development, risk management and operation efficiency. The Group has established comprehensive risk management and internal control processes to deal with various risks relating to its business. Its risk management processes are tailored to the characteristics of its business operations, with a focus on managing risks through comprehensive customer due diligence, independent information review and multi-level approval process. Its risk management processes also include a continuous review process after the finance leasing is approved. The asset management team reviews the leased assets on a regular basis, including performing on-site visits to inspect the status of the leased asset. This continuous review process enables the Group to identify any potential default of its customers and take remedial actions to enhance the security of its assets at an early stage.

The Group measures and monitors the asset quality of its finance lease receivables by voluntarily adopting a five-category classification with reference to guidelines promulgated by the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會) relating to asset quality for financial institutions under its regulation as follows:

Pass. There is no sufficient reason to doubt that the lease payments will not be paid by the lessee in full on a timely basis. Pass asset has certain characteristics, for example, the lease payments have always been repaid in full on a timely manner or overdue for less than or equal to 90 days.

Special Mention. Even though the lessee has been able to pay the lease payments in a timely manner, there are some factors that could adversely affect its ability to pay, such as that the financial position of the lessee has worsened or its net cash flow has become negative, but there are sufficient guarantees or collaterals underlying the finance lease agreement. Special Mention asset has certain characteristics, for example, the payments have been overdue for more than 90 days but less than or equal to 150 days.

Substandard. The lessee's ability to pay is in obvious question as it is unable to make its payments in full with its operating revenue, and the Group is likely to incur losses notwithstanding the enforcement of any guarantees or collaterals underlying the finance lease agreement. Substandard asset has certain characteristics, for example, the lease payments have been overdue for more than 150 days but less than or equal to 210 days.

Doubtful. The lessee's ability to pay is in absolute question as it is unable to make lease payments in full, and the Group is likely to incur significant losses notwithstanding the enforcement of any guarantees or collaterals underlying the finance lease agreement. Doubtful asset has certain characteristics, for example, the lease payments have been overdue for more than 210 days but less than or equal to 270 days.

Loss. After taking all possible steps or going through all necessary legal procedures, lease payments remain overdue or only a very limited portion has been recovered. Loss asset has certain characteristics, for example, the lease payments have been overdue for more than 270 days.

The Group assesses its provisions based on the relevant requirements of IFRS and its internal provisioning procedures and guidelines upon consideration of factors such as the nature and characteristics of its industry-specific customers, credit record, economic conditions and trends, history of write-offs, payment delinquencies, the value of the assets underlying the leases and the availability of collateral or guarantees.

2. Determination of principal, interest rate and relevant fees

In general, the principal amount to be adopted under individual finance leasing agreements shall be, in the case of sale-leaseback service, not higher than the net book value of the leased assets and, in the case of direct finance leasing service, the market price of the leased assets.

For sale-leaseback service under the Finance Leasing Service, the purchase price shall be reasonable and shall not be higher than the net book value of the Leased Assets. Nanshan Group may also be required to pay a security deposit, which typically ranges from approximately 2% to 10% of the negotiated purchase price at the time of purchase.

For direct finance leasing service under the Finance Leasing Service, the Company typically pays 60% to 90% of the purchase prices directly to the equipment supplier who is Independent Third Party and the Nanshan Group will be responsible for the balance. Nanshan Group may also be required to pay the Company a security deposit at the time of the purchase, which typically ranges from approximately 3% to 10% of the purchase price, and/or guarantee from third party(ies).

The interest rate and fees of the Finance Leasing Service under any Individual Agreement shall be on normal commercial terms or better and shall make reference to the following factors: (1) the benchmark RMB lending rate published by PBOC from time to time; (2) the funding cost of

the Company; (3) the quotations made by the Company for similar finance leasing service offered to at least two (2) or three (3) Independent Third Party customers; (4) the risk premium of Nanshan Group; and/or (5) all other relevant fees, including handling fees and security deposit (if applicable).

3. Monitoring continuing connected transactions

The risk management team and relevant senior management of the Company are responsible for monitoring connected transactions for the Company, including the transactions under the Finance Leasing Framework Agreement.

The risk management team and relevant senior management of the Company will review the actual amount utilised in respect of the Annual Cap every six months. If it is expected that the value of any Individual Agreements, in aggregate, will exceed the Annual Cap, the Company will take applicable steps in order to comply with the relevant requirement of the Listing Rules.

The Company has established integrated internal control and risk management systems to identify various risks, formulate and improve its internal control policies, and implement, monitor and improve various responsive risk control measures throughout our business operations.

The independent non-executive Directors will conduct an annual review of the implementation of the continuing connected transactions in respect of the Individual Agreements.

Therefore, the Company is of the view that the Group has adequate mechanism, internal control procedures and supervision measures to ensure the continuing connected transactions to be complied with and strictly in accordance with the terms of the Finance Leasing Framework Agreement and the Listing Rules.

LISTING RULES IMPLICATIONS

The transactions contemplated under the Finance Leasing Framework Agreement will constitute transactions under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) calculated in accordance with the Listing Rules in respect of the transactions contemplated under the Finance Leasing Framework Agreement exceed 25% but less than 100%, the transactions contemplated thereunder constitute a major transaction for the Company, subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Nanshan Group is owned as to 51% by the village member committee of Nanshan Village and 49% by Mr. Song Zuowen. Mr. Song Zuowen is the father-in-law of Ms. Sui Yongqing, one of the Controlling Shareholders, and his brother is the father-in-law of Mr.

Song Jianpeng, the Chairman of the Group and the non-executive Director. For the purpose of the connected transaction rules under the Listing Rules, the Directors considered Nanshan Group to be deemed connected persons under Rule 14A.21 of the Listing Rules.

Accordingly, the Finance Leasing Framework Agreement will also constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios in respect of the Annual Caps are more than 5%, the transactions contemplated thereunder are subject to the announcement, reporting, annual review, and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

In addition, pursuant to Rule 14A.52 of the Listing Rules, as the term of the Individual Agreement to be entered into pursuant to the Finance Leasing Framework Agreement may exceed three (3) years, the Company has appointed Lego as the Independent Financial Adviser to explain why the Individual Agreement requires a longer period and to confirm that it is a normal business practice for agreements of this type to be of such duration.

CONFIRMATION OF THE BOARD

Except for Mr. Song Jianpeng, none of the Directors has or is considered to have a material interest in the Finance Leasing Framework Agreement and the transactions contemplated thereunder, and hence no other Directors has abstained from voting on the Board resolution approving the Finance Leasing Framework Agreement and the transactions contemplated thereunder.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Finance Leasing Framework Agreement, the transactions contemplated thereunder and the Annual Caps. Lego has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

At the EGM, resolutions will be proposed by the Company to seek the Independent Shareholders' approval on the Finance Leasing Framework Agreement, the transactions contemplated thereunder and the Annual Caps. Union Capital, JinChuang and their respective associates will abstain from voting for the proposed resolutions at the EGM. The proposed resolutions will be passed by way of ordinary resolutions and voted on by way of poll in accordance with the requirement of the Listing Rules.

CIRCULAR

A circular containing, among others, (1) details of the Finance Leasing Framework Agreement and the transactions contemplated thereunder; (2) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Finance Leasing Framework Agreement, the transactions contemplated thereunder, the Annual Caps and the duration of the Individual Agreements; (3) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Finance Leasing Framework Agreement, the transactions contemplated thereunder and the Annual Caps; (4) such other information as required under the Listing Rules; and (5) a notice convening the EGM will be despatched to the Shareholders on or before 15 October 2019, as more time is required to finalise the circular.

DEFINITIONS

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

“Annual Cap(s)”	the proposed annual maximum transaction amounts (including but not limited to income from provision of Finance Leasing Service and the relevant fees) in aggregate contemplated under all Individual Agreements which are to be executed within the Effective Period
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	International Alliance Financial Leasing Co., Ltd. (国际友联融资租赁有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock code: 1563)
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Conditions Precedent”	the conditions precedent of the Finance Leasing Framework Agreement as set out in the paragraph headed “Duration and Conditions Precedent” in this announcement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules

“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Effective Period”	three (3) years from the date of the fulfilment or waiver (if applicable) of the Conditions Precedent
“EGM”	the extraordinary general meeting of the Company to be convened for approving, among other things, the Finance Leasing Framework Agreement, the transactions contemplated thereunder and the Annual Caps
“Finance Leasing Framework Agreement”	the finance leasing and framework agreement entered into between the Company and Nanshan Group on 20 September 2019
“Finance Leasing Service”	including but not limited to the sale-leaseback service and direct finance leasing service to be provided by the Group to Nanshan Group in relation to the Leased Assets in accordance with the Finance Leasing Framework Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	International Financial Reporting Standards
“Independent Board Committee”	the independent committee of the Board, comprising the independent non-executive Directors, Mr. Liu Changxiang, Mr. Liu Xuewei and Mr. Jiao Jian, established for the purpose of making recommendations to the Independent Shareholders in respect of the Finance Leasing Framework Agreement, the transactions contemplated thereunder and the Annual Caps
“Independent Shareholders”	the Shareholders other than Union Capital and JinChuang and their respective associates who are not required to abstain from voting on resolutions approving the Finance Leasing Framework Agreement, the transactions contemplated thereunder and the Annual Caps
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons

“Individual Agreement(s)”	separate individual agreement for each Finance Leasing Service to be entered into between Nanshan Group and its relevant members of Nanshan Group pursuant to the Finance Leasing Framework Agreement
“JinChuang”	Jinchuang Enterprise Management & Consulting Co., Ltd., a company incorporated in the British Virgin Islands and indirectly wholly-owned by Mr. Song Jianpeng
“Leased Asset(s)”	the assets to be leased by the Group pursuant to Individual Agreements
“Lego” or “Independent Financial Adviser”	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Finance Leasing Framework Agreement, the transactions contemplated thereunder, the Annual Caps and the explanation as to why the Individual Agreement requires a longer period
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Nanshan Group”	Nanshan Group Co., Ltd.* (南山集團有限公司) (also including members of Nanshan Group), a company established in the PRC with limited liability on 16 July 1992, which is owned as to 51% by the village member committee (龍口市東江街道南山村民委員會) of Nanshan Village, Dongjiang Street, Longkou City, Shandong Province, PRC (龍口市東江街道南山村) and 49% by Mr. Song Zuowen. Mr. Song Zuowen is the father-in-law of Ms. Sui Yongqing, one of the Controlling Shareholders; and his brother is the father in-law of Mr. Song Jianpeng, the Chairman of the Group and the non-executive Director
“PBOC”	the People’s Bank of China
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“RMB”	the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Union Capital”	Union Capital Ptd. Ltd., a company incorporated in Singapore and a Controlling Shareholder
“%”	percent

In this announcement, if there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail.

By the order of the Board
International Alliance Financial Leasing Co., Ltd.
Li Luqiang
Executive Director and chief executive officer

Hong Kong, 20 September 2019

As at the date of this announcement, the executive Directors are Mr. Li Luqiang, Mr. Li Zhixuan and Ms. Xu Juan; the non-executive Director is Mr. Song Jianpeng (Chairman); and the independent non-executive Directors are Mr. Liu Changxiang, Mr. Liu Xuewei and Mr. Jiao Jian.