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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 379)

SUPPLEMENTAL ANNOUNCEMENT ON DISCLOSEABLE TRANSACTION IN RELATION TO SUBSCRIPTION OF SHARES IN THE TARGET COMPANY

Reference is made to the announcement of the Company dated 30 December 2019 in relation to the subscription of the Subscription Shares in the Target Company by the Subscriber (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise defined herein.

SUPPLEMENTAL SUBSCRIPTION AGREEMENT

The Company is pleased to announce that on 23 January 2020, the Subscriber and the Target Company entered into a supplemental subscription agreement (the “**Supplemental Agreement**”). Pursuant to the Supplemental Agreement, the Target Company agreed to grant the Subscriber a right to nominate one director to the board of the Target Company (the “**Nomination Rights**”). As at the date of this announcement, the board of the Target Company comprises of two directors. Upon Completion and the nomination of director by the Subscriber, the board shall comprise of three directors, one of which is nominated by the Subscriber.

To the Director’s best knowledge, none of the other existing shareholders of the Target Company are given the Nomination Rights.

In addition, the Subscriber has received an undertaking from the controlling shareholder of the Target Company, namely Jocasta (as defined hereinafter) pursuant to which Jocasta has agreed to grant a tag-along rights to the Subscriber upon Completion so that in the event Jocasta intends to dispose its majority interest in the Target Company, the Subscriber will be offered to dispose its shares on the same terms to the intended buyer (the “**Tag-along Rights**”). To the Directors’ best knowledge, the Tag-along Rights is not granted to the other existing shareholders of the Target Company.

The Board hereby provides further information about the Target Company.

SHAREHOLDERS

As at the date of the Subscription Agreement, i.e. 30 December 2019, the shareholding structure of the Target Company is as follows:

Shareholders	Shareholding Percentage
Jocasta Ventures Ltd (“ Jocasta ”)	76.54%
Loyal Fine Limited (“ Loyal Fine ”)	10.07%
Charm Ride Limited (“ Charm Ride ”)	13.09%
True Wonder Investments Limited (“ True Wonder ”)	0.30%
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	100.00%
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The ultimate beneficial owners of Jocasta are Freeman FinTech Corporation Limited (Stock Code: 279) holding approximately 36.17% and 9 individuals, namely, Au Wai June, Chan Chak Kai Kenneth, Kitchell Osman Bin, Kwong Kai Sing Benny, Lau King Hang, Lo Kan Sun, Lo Ki Yan Karen, Long Wai Betty, Wong Ying Seung Asiong, who are all independent third parties to the Company and none of them holds more than 30% beneficial interest in Jocasta.

The ultimate beneficial owners of Loyal Fine, Charm Ride and True Wonder are Rentian Technology Holdings Limited (Stock Code: 885) (“**Rentian**”), China Touyun Tech Group Ltd. (Stock Code: 1332) (“**China Touyun**”) and Celebrate International Holdings Limited (Stock Code: 8212) respectively. Apart from Mr. Lo Kan Sun, the other 8 individual shareholders only hold their investment in Jocasta as passive investors who are looking for capital gain and profit return from their investment whereas Mr. Lo is taking up a more active role as he also serves as the managing director of the operative business of Jocasta under the Target Company.

BUSINESS BACKGROUND

The Target Company commenced its money lending business in Hong Kong in 2009 and is a licensed money lender under the Money Lenders Ordinance (Cap.163).

Set out below is a summary of the financial performance of the Target Company for the two financial years ended 31.12.2017 and 31.12.2018 and the nine months ended 30.9.2019 respectively:

	Period ended 30.9.2019 (HK\$'000) (unaudited)	Year ended 31.12.2018 (HK\$'000) (audited)	Year ended 31.12.2017 (HK\$'000) (audited)
Loan receivables	415,412	201,275	127,103
Revenue & other income	12,222	18,501	13,689
Profit before tax	11,822	16,323	13,562

As at 30 September 2019 and 31 December 2018, the net asset value of the Target Company was approximately HK\$516.1 million and HK\$502.8 million, respectively.

Based on the above financial information of the Target Company, it could be observed that the Target Company has been steadily expanding its money lending business in recent years. The Directors believe the expansion was attributable to the established client network possessed by the Target Company and also the new capital injection brought into the Target Company by 2 new investors, namely, China Touyun and RenTian in 2018. The Target Company mainly targets listed companies, corporate clients from financial sector and wealthy individuals as their clients.

The Target Company is managed by 2 managing directors, namely, Mr. Suen Yick Lun Philip (“**Mr. Suen**”) and Mr. Lo Kan Sun (“**Mr. Lo**”), whose background and experiences are listed as below:

Mr. Suen is a fellow member of the Hong Kong Institute of Certified Public Accountants and is a fellow member of the CPA Australia. He holds a Bachelor’s degree in Accountancy from Queensland University of Technology and Master’s degree in Corporate Finance from The Hong Kong Polytechnic University. He has over 8 years’ experience in money lending business and over 16 years of experience in corporate management and finance, accounting and company secretarial practice. He has also been serving as directors and company secretary in various listed companies in Hong Kong.

Mr. Lo holds a Master’s degree in Business Administration from Indiana University in the United States of America (the “**USA**”) and a Bachelor’s degree in Electrical Engineering from University of Illinois, the USA. Mr. Lo has over 8 years’ experience in money lending business and over 30 years of experience in finance, investment and banking in Hong Kong and Canada. Mr. Lo was previously the Executive Director of Freeman FinTech Corporation Limited (Stock Code: 279) from June 2008 to January 2017.

Both Mr. Suen and Mr. Lo have solid experience in managing money lending business for more than 8 years and they also had experience as managing roles in listed companies and other financial corporations and have thus accumulated valuable knowledge, experience and personal network in this business sector.

Given the experienced management background of the Target Company coupled with the positive financial track record, the Company believes that the Target Company has competitive advantages in the market.

COMPLETION AND REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

Upon Completion and the nomination of director to the Target Company by the Subscriber, it is expected that the Target Company shall be classified as an investment in associate accounted for using equity method. The Board believes the investment in the Target Company would yield capital gain or dividend returns to the Company and would also allow the Company’s money lending business forming a synergic effect with the Target Company because both parties can share and exchange business information and management expertise; refer to each other potential business opportunities and, if considered appropriate, jointly participate in loan transactions for risk allocation and profit sharing.

Furthermore, the Subscriber also has the protection as a minority shareholder under the Subscription Agreement and the Supplemental Agreement including the right to nominate director, right to financial information and conditional dividend policy. The Subscriber also has the Tag-along Rights under the undertaking by Jocasta.

Based on the above, in particular the steadily improving financial performance of the Target Company over the recent years and the net asset value of the Target Company of approximately HK\$516.1 million or approximately HK\$5.2 per share as at 30 September 2019, the Directors consider that the Consideration and the terms of the Subscription Agreement (as supplemented by the Supplemental Agreement) are on normal commercial terms, fair and reasonable and in the interests 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, 23 January 2020

As at the date of this announcement, the Board comprises (1) Mr. Wong Lik Ping, Mr. Lai Ka Fai, Mr. Tao Ke and Mr. Qiao Weibing as Executive Directors; (2) Ms. Yip Man Yi as Non-Executive Director; and (3) Mr. Goh Choo Hwee, Mr. Ho Hin Yip and Mr. U Keng Tin as Independent Non-Executive Directors.

This announcement, 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 announcement 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 announcement misleading.