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## **DISCLOSEABLE TRANSACTION FINANCE LEASE ARRANGEMENT**

On 27 October 2014, Shanxi Sino Top, an indirect wholly-owned subsidiary of the Company, has entered into the Finance Lease Agreement with Shanxi Dong Sheng Yang Sheng pursuant to which Shanxi Sino Top has agreed to buy the Equipment from Shanxi Dong Sheng Yang Sheng at a consideration of RMB100,000,000 (equivalent to approximately HK\$125,160,000) and Shanxi Sino Top has agreed to lease back the Equipment to Shanxi Dong Sheng Yang Sheng for a term of two years.

As one or more of the applicable percentage ratio in respect of the Finance Lease Arrangement are more than 5% but less than 25%, the transaction contemplated under the Finance Lease Arrangement constitutes a discloseable transaction of the Company and is therefore subject to announcement but exempted from shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **THE FINANCE LEASE ARRANGEMENT**

**Date:** 27 October 2014

**Parties:** Lessor: Shanxi Sino Top

Lessee: Shanxi Dong Sheng Yang Sheng

**Equipment:** The Equipment comprises of certain machinery and equipment for the operation of coal mining business of Shanxi Dong Sheng Yang Sheng

**Consideration:** RMB100,000,000, equivalent to approximately HK\$125,160,000

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Shanxi Dong Sheng Yang Sheng and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

The above consideration was determined by reference to the average fair market price of the Equipment of the same kind and after arm's length negotiation between the parties. The payment of the consideration will be satisfied entirely in case, which is expected to be funded by internal resources of the Company.

### **The Finance Lease Agreement**

Pursuant to the Finance Lease Agreement, Shanxi Sino Top will purchase the Equipment from Shanxi Dong Sheng Yang Sheng at a consideration of RMB100,000,000 (equivalent to approximately HK\$125,160,000) and the Equipment will be leased back to Shanxi Dong Sheng Yang Sheng for a term of two years, commencing from 27 October 2014 until 27 October 2016, at an aggregate lease consideration of approximately RMB119,420,000 (equivalent to approximately HK\$149,460,000), which shall be paid by Shanxi Dong Sheng Yang Sheng to Shanxi Sino Top in four installments, i.e. every six months commencing upon the term of the Lease Period.

Pursuant to the Finance Lease Arrangement, Shi Xiao and Duan Yu Ming, each being third party independent from the Company and its connected persons and being shareholders of Shanxi Dong Sheng Yang Sheng holding 12.36% and 9.58% equity interests in Shanxi Dong Sheng Yang Sheng respectively, are pledging altogether 21.94% equity interests they hold in Shanxi Dong Sheng Yang Sheng in favour of Shanxi Sino Top as security for the Finance Lease Arrangement. In addition, Shanxi Dong Sheng Yang Sheng is pledging its mining license in favour of Shanxi Sino Top as security for the Finance Lease Arrangement.

The terms of the Finance Lease Agreement have been agreed after arm's length negotiation between the parties with reference to the prevailing market practice.

### **Ownership of the Equipment**

During the Lease Period, the ownership of the Equipment will vest in Shanxi Sino Top. Upon expiry of the Lease Period and subject to the payment of the lease payment under the Finance Lease Agreement, Shanxi Dong Sheng Yang Sheng has the right to purchase the Equipment from Shanxi Sino Top at an agreed amount of RMB100 upon the exercise of which the title of and all rights in the Equipment shall vest in Shanxi Dong Sheng Yang Sheng.

## **Information of Shanxi Sino Top and Shanxi Dong Sheng Yang Sheng**

Shanxi Sino Top is a limited liability company established in the PRC and is principally engaged in the development of the finance leasing business in the PRC.

Shanxi Dong Sheng Yang Sheng is a limited liability company established in the PRC and is principally engaged in the business of coal mining in Shanxi, the PRC.

## **REASONS FOR THE FINANCE LEASE ARRANGEMENT**

The Group is principally engaged in the manufacturing of an extensive assortment of knitwear products ranging from classically styled wardrobe basics to high quality fashion apparels. As set out in the circular of the Company dated 17 February 2014, the Company is to diversify its business risk by tapping into the finance leasing business.

The Directors consider the Finance Lease Arrangement will enable the Company to fully realize the benefits to be generated by leasing the Equipment to Shanxi Dong Sheng Yang Sheng. The interest income as a result of the Finance Lease Arrangement is expected to be approximately RMB9,700,000 (equivalent to approximately HK\$12,140,000) for the first 12 months of the Lease Period. Such interest income is expected to be used by Shanxi Sino Top as general working capital.

The terms under the Finance Lease Arrangement have been agreed after arm's length negotiations between the parties thereto. The Directors are of the view that the terms in respect of the Finance Lease Arrangement are fair and reasonable and are in the interest of the Company and Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratio in respect of the Finance Lease Arrangement are more than 5% but less than 25%, the transaction contemplated under the Finance Lease Arrangement constitutes a discloseable transaction of the Company and is therefore subject to announcement but exempted from shareholders' approval requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

Unless the context requires otherwise, the following terms in the announcement shall have the following meanings:

“Board”	the board of Directors;
“Company”	Infinity Financial Group (Holdings) Limited (stock code: 1152), a company incorporated in Bermuda with limited liability and the Shares of which are listed on the main board of the Stock Exchange;
“connected person(s)”	has the meaning as defined in the Listing Rules;
“Director(s)”	directors of the Company;
“Equipment”	certain machinery and equipment for the operation of coal mining business of Shanxi Dong Sheng Yang Sheng;
“Finance Lease Agreement”	the finance lease agreement entered into between Shanxi Sino Top and Shanxi Dong Sheng Yang Sheng on 27 October 2014;
“Finance Lease Arrangement”	the finance lease arrangement in relation to the finance lease by way of sale and leaseback of the Equipment under the Finance Lease Agreement;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Lease Period”	a period of two years from 27 October 2014 until 27 October 2016;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shanxi Sino Top”	山西華威融資租賃有限公司 (translated as Shanxi Sino Top Leasing Company Limited), a limited liability company established in the PRC;

“Shanxi Dong Sheng Yang Sheng”	山西平定古州東升陽勝煤業有限公司 (transliterated as Shanxi Pingding Guzhou Dong Sheng Yang Sheng Coal Mining Company Limited*), a company established in the PRC with limited liability;
“Share(s)”	ordinary share(s) of HK\$0.005 each in the share capital of the Company; and
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By order of the Board  
**Infinity Financial Group (Holdings) Limited**  
**Yu Xueming**  
*Chairman*

Hong Kong, 27 October 2014

*The exchange rate adopted in this announcement for illustration purposes only is RMB1.00 = HK\$1.2516.*

*As at the date of this announcement, the Board comprises five executive Directors namely, Mr. Yu Xueming (Chairman), Mr. Yu Chuanfu (Chief Executive Officer), Mr. Sit Yau Chiu, Mr. Zheng Qiang and Mr. Han Hanting, one non-executive Director, namely, Mr. Chan Yee, Herman and two independent non-executive Directors, namely, Mr. Wang Wei Hung Andrew and Mr. Sin Ka Man.*

\* *For identification purpose only*