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*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 379)**

## **PROFIT WARNING**

This announcement is made by China Ever Grand Financial Leasing Group Co., Ltd. (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**” and each a “**Director**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that, based on the information currently available to the Board and the preliminary unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 (the “**Current Period**”), the Group is expected to record a net loss of approximately in the range of HK\$60 million to HK\$80 million for the Current Period as compared to the net loss of approximately HK\$16.4 million for the six months ended 30 June 2019 (the “**Corresponding Period**”).

The Board considers that the expected increase in net loss is mainly attributable to the following reasons:

- (i) the recognition of a non-cash impairment loss of approximately HK\$44 million on finance lease and loan receivables from the finance lease customers of the Group’s financial leasing segment (Corresponding Period: HK\$22.9 million);
- (ii) the recognition of an impairment loss of approximately HK\$26 million from the remaining 25% equity interest in Rizhao Lanshan Wansheng Harbour Company Limited (“**Interest in Rizhao Lanshan**”) upon reclassification of interest in an associate as assets classified as held for sales, which is further offset by a fair value gain of approximately HK\$16 million on the option to sell the Interest in Rizhao Lanshan granted by the Group, resulting in a net amount of approximately HK\$10 million;

- (iii) an increase in fair value loss on investment properties in Hong Kong and Shanghai of approximately HK\$9 million;
- (iv) an increase in finance cost of approximately HK\$6 million relating to a back-to-back borrowing, the proceeds of which was to finance a recently credit impaired finance lease project under the Group's financial leasing segment; and
- (v) a decrease in gross profit from approximately HK\$11.2 million for the Corresponding Period to approximately HK\$6 million for the Current Period, primarily as a result of decrease in contribution from the Group's money lending business.

The Company is still in the process of finalising the Group's interim results for the Current Period. The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group with reference to the information currently available to the Board which may be subject to amendments or adjustments, and have not been reviewed or confirmed by the Company's auditors or the audit committee of the Company. The actual financial results of the Group for the six months ended 30 June 2020 may be different from what is disclosed herein. Shareholders and potential investors are advised to read carefully the interim results announcement of the Group for the Current Period, which is expected to be published on 26 August 2020.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

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

Hong Kong, 14 August 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.*