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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 379)

2015 ANNUAL RESULTS ANNOUNCEMENT

The board of directors (the “Board”) of China Ever Grand Financial Leasing Group Co., Ltd. (the “Company”) announces the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2015 and the comparative figures for last year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2015

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Turnover	3	258,596	138,309
Revenue	4	82,767	89,797
Cost of sales		(78,425)	(87,397)
Gross profit		4,342	2,400
Other income and gain	5	29,583	15,873
Selling and distribution expenses		(8,873)	(8,852)
Administrative expenses		(66,871)	(88,814)
Loss on partial disposal of an associate		–	(14,852)
Loss on derecognition of an associate		–	(26,907)
Impairment loss on available-for-sale investment (Decrease)/increase in fair value of convertible bonds designated as financial assets at fair value through profit or loss		(500) (8,778)	– 10,699
Increase/(decrease) in fair value on held for trading investments	5	2,387	(11,626)
Share of results of an associate		–	6,082
Share of results of joint ventures		48,698	167,388
Finance costs	6	(94)	(839)
(Loss)/profit before taxation		(106)	50,552
Taxation	7	3,554	(22,945)
Profit for the year	8	3,448	27,607

	<i>Notes</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Attributable to:			
Owners of the Company		3,448	27,607
Non-controlling interests		–	–
		3,448	27,607
Earnings per share	10	<i>HK cents</i>	<i>HK cents</i>
Basic and diluted		0.03	0.23

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit for the year	3,448	27,607
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation	(48)	(638)
Share of other comprehensive income of an associate	–	550
Share of other comprehensive (loss)/income of joint ventures	(49,027)	1,404
Other comprehensive (loss)/income for the year (net of tax)	(49,075)	1,316
Total comprehensive (loss)/income for the year	(45,627)	28,923
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(45,627)	28,923
Non-controlling interests	–	–
	(45,627)	28,923

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015**

	<i>Notes</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
Non-current assets			
Plant and equipment		1,347	1,883
Available-for-sale investments		2,000	2,500
Interest in joint ventures		763,852	874,583
Club debentures		350	350
		767,549	879,316
Current assets			
Inventories		8,746	8,778
Trade receivables, other receivables, deposits and prepayments	11	29,598	28,563
Convertible bonds designated as financial assets at fair value through profit or loss		36,450	45,228
Held for trading investments		44,117	88,485
Deposits placed with financial institutions		54,720	7,051
Bank balances and cash		394,867	346,144
		568,498	524,249
Current liabilities			
Trade and other payables and accruals	12	72,754	93,044
Amount due to a joint venture		–	75
Taxation payable		36,982	36,985
Obligations under finance leases		302	730
Other loans		2,293	–
		112,331	130,834
Net current assets		456,167	393,415
Total assets less current liabilities		1,223,716	1,272,731

	<i>Notes</i>	2015 HK\$'000	2014 <i>HK\$'000</i>
Capital and reserves			
Share capital	13	119,192	119,192
Reserves		1,088,351	1,133,978
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Equity attributable to owners of the Company		1,207,543	1,253,170
Non-controlling interests		845	845
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Total equity		1,208,388	1,254,015
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Non-current liabilities			
Obligations under finance leases		555	858
Deferred tax liabilities		14,773	17,858
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		15,328	18,716
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		1,223,716	1,272,731
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Notes:

1. General

China Ever Grand Financial Leasing Group Co. Ltd. (Formerly known as PME Group Limited) (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The English name of the Company has been changed from “PME Group Limited” to “China Ever Grand Financial Leasing Group Co., Ltd.” and the Chinese name “中國恒嘉融資租賃集團有限公司” be registered as the secondary name of the Company to replace the old Chinese name “必美宜集團有限公司” which was adopted for identification purpose only. For details, please refer to the announcement dated 24 February 2016 issued by the Company.

The functional currency of the Company and its subsidiaries is Hong Kong dollars (“HK\$”). The consolidated financial statements are presented in HK\$ and all values are rounded to the nearest thousand (HK\$’000) except otherwise indicated.

2. Application of new and revised HKFRSs

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants the first time in the current year:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010 – 2012 Cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011 – 2013 Cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

In the current year, The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective in the consolidated financial statement:

HKFRS 9	Financial Instruments ²
HKFRS 15	Revenue from Contracts with Customers ²
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations ¹
HKAS 1 (Amendments)	Disclosure Initiative ¹
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation ¹
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants ¹
HKAS 27 (Amendments)	Equity method in Separate Financial Statements ¹
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities – Apply the Consolidation Exception ¹
Amendments to HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012 – 2014 Cycle ¹

¹ Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.

² Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

³ Effective for annual periods beginning on or after a date to be determined.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. The Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Group’s results of operations and financial position.

3. Turnover

Turnover represents the amounts received and receivable from sale of polishing materials and equipment; and gross proceeds from sales of held for trading investments during the year. An analysis of the Group's turnover for the year is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Sales of polishing materials and equipment	82,767	89,797
Gross proceeds from sales of held for trading investments	175,829	48,512
	258,596	138,309

4. Segment information

Information reported to the Board, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on the nature of the operations of the Group.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

Polishing materials and equipment	–	sale of polishing materials and equipment
Terminal and logistics services	–	loading and discharging services, storage services, and leasing of terminal facilities and equipment
Investment	–	investments in held for trading investments, convertible bonds, available-for-sale investments and associates

Information regarding the above segments is reported below.

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segment:

	Revenue		Segment result	
	For the year ended 31 December			
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Revenue				
Polishing materials and equipment	82,767	89,797	(7,069)	(4,470)
Terminal and logistics services	–	–	30,900	146,047
Investment	–	–	5,543	(45,003)
			29,374	96,574
Unallocated corporate expenses			(33,786)	(49,778)
Unallocated other income and gain			4,400	4,500
Unallocated finance costs			(94)	(744)
(Loss)/profit before taxation			(106)	50,552

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) from each segment without allocation of certain other income, central administration costs, directors' salaries and certain finance costs. This is the measure reported to the chief operating decision maker for the purposes of resources allocation and performance assessment.

The Group's polishing materials and equipment division is mainly located in Hong Kong (country of domicile) and the PRC. Terminal and logistics services division is located in the PRC. Investment division is located in Hong Kong.

The following table provides an analysis of the Group's revenue by geographical market, irrespective of the origin of customers:

	Revenue	
	2015	2014
	HK\$'000	HK\$'000
Hong Kong	12,860	33,581
The PRC	65,343	49,593
Other Asian regions	2,116	1,982
North America and Europe	369	510
Other countries	2,079	4,131
	82,767	89,797

5. Other income and gain/Fair value change on held for trading investments

	2015	2014
	HK\$'000	HK\$'000
Reversal of impairment loss on trade receivables	–	3,294
Interest income from banks and financial institutions	1,982	3,843
Realised gain on held for trading investments	25,183	3,030
Interest income from convertible bonds designated as financial assets at fair value through profit or loss	1,600	2,941
Net foreign exchange gains	368	675
Rental income	144	1,206
Sundry income	306	884
	29,583	15,873
Increase/(decrease) in fair value of held for trading investments (Note)	2,387	(11,626)

Note: The change in fair value represents an unrealised gain (loss) on held for trading investment.

6. Finance costs

	2015	2014
	HK\$'000	HK\$'000
Interests on other loans wholly repayable within five years	45	744
Finance lease charges	49	95
	94	839

7. Taxation

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
The (credit)/charge comprises:		
Current taxation		
Hong Kong Profits Tax	–	27
PRC Enterprise Income Tax	135	152
Withholding tax for dividend from PRC joint ventures	5,520	23,219
Over-provision of withholding tax in prior year	(6,124)	–
	(469)	23,398
Deferred taxation	(3,085)	(453)
	(3,554)	22,945

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for both years.

Under the Law of the PRC on Enterprise Income Tax (the “EIT Law”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both years.

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

8. Profit for the year

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Profit for the year has been arrived at after charging (crediting):		
Staff costs, including directors' emoluments	37,900	49,246
Contributions to retirement benefits schemes	620	630
	38,520	49,876
Depreciation of plant and equipment	568	716
Auditor's remuneration	680	750
Reversal of allowance for inventories (included in cost of sales)	(839)	(4,193)
Reversal of impairment loss on trade receivables	–	(3,294)
Cost of inventories recognised as expenses	79,264	91,590
Minimum lease payment in respect of rental premises	2,957	2,986

9. Dividend

No dividend was paid or proposed during the year ended 31 December 2015, nor has any dividend been proposed since the end of the reporting period (2014: Nil).

10. Earnings per share

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
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<u>Profit</u>		
Profit for the year attributable to owners of the Company for the purposes of basic and diluted earnings per share	3,448	27,607
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	2015 '000	2014 '000
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<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	11,919,198	11,919,198
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	2015	2014
<hr/>		
Basic and diluted earnings per share (in HK cents)	0.03	0.23
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The computation of diluted earnings per share does not assume the exercise of the Company's options because the exercise price of those options was higher than the average market price for shares for both 2015 and 2014.

11. Trade receivables, other receivables, deposits and prepayments

The aging analysis of the trade receivables, net of impairment loss presented based on the invoice date, which approximated the respective revenue recognition dates at the end of the reporting period is as follows.

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<hr/>		
Within 30 days	9,558	13,697
31 to 60 days	4,935	4,671
61 to 90 days	5,394	4,298
Over 90 days	6,636	387
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	26,523	23,053
Other receivables, deposits and prepayments	3,075	5,510
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	29,598	28,563
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12. Trade and other payables and accruals

The aged analysis of the trade payables presented based on the invoice dates at the end of the reporting period is as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within 30 days	3,398	2,683
31 to 60 days	927	1,439
61 to 90 days	890	314
Over 90 days	39	60
	5,254	4,496
Other payables and accruals	67,500	88,548
	72,754	93,044

13. Share capital

	Number of ordinary shares of HK\$0.01 each		Share capital	
	2015 <i>'000</i>	2014 <i>'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Authorised:				
At beginning of year	40,000,000	40,000,000	400,000	400,000
At end of year	40,000,000	40,000,000	400,000	400,000
Issued and fully paid:				
At beginning of year	11,919,198	11,919,198	119,192	119,192
At end of year	11,919,198	11,919,198	119,192	119,192

14. Operating leases

The Group as lessee

At 31 December 2015, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises which fall due as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Within one year	1,686	2,445
In the second to fifth year inclusive	519	1,299
	2,205	3,744

Leases were negotiated for a term of twelve months to thirty-six months with fixed rentals over the term of the lease.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Financial Performance

The Group's turnover for the year ended 31 December 2015 increased by 87.0% to approximately HK\$258.6 million while the revenue for the year ended 31 December 2015 decreased by 7.8% to approximately HK\$82.8 million as compared with last year. Revenue for the year was wholly contributed by the polishing materials and equipment division.

Profit for the year ended 31 December 2015 attributable to the shareholders of the Company was approximately HK\$3.4 million (2014: HK\$27.6 million). The 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 results of joint ventures.

Segmental loss of the polishing materials and equipment division increased from approximately HK\$4.5 million in 2014 to HK\$7.1 million in 2015. 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.

Liquidity and Financial Resources

At 31 December 2015, the Group had interest bearing other loans of approximately HK\$2.3 million (31 December 2014: HK\$ Nil).

At 31 December 2015, current assets of the Group amounted to approximately HK\$568.5 million (31 December 2014: HK\$524.2 million). The Group's current ratio was approximately 5.06 as at 31 December 2015 as compared with 4.01 as at 31 December 2014. At 31 December 2015, the Group had total assets of approximately HK\$1,336.0 million (31 December 2014: HK\$1,403.6 million) and total liabilities of approximately HK\$127.7 million (31 December 2014: HK\$149.6 million), representing a gearing ratio (measured as total liabilities to total assets) of 9.6% as at 31 December 2015 as compared with 10.7% as at 31 December 2014.

Charge of Assets

As at 31 December 2015, the other loan raised by the Group of approximately HK\$2,293,000 (2014: Nil) was secured by the life insurance policy for key management held by the Company.

Significant Investments

At 31 December 2015, the 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 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.

At 31 December 2014, the 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 that year, the 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.

Foreign Exchange Exposures

The Group's purchases and sales are mainly denominated in United States dollars, Hong Kong dollars and Renminbi. The investments are in Hong Kong dollars. The operating expenses of the Group are either in Hong Kong dollars or Renminbi. The Group's treasury policy is in place to monitor and manage its exposure to fluctuation in exchange rates.

Contingent Liabilities

The Group had no material contingent liabilities as at 31 December 2015 and 2014.

Capital Commitments

The Group had no material capital commitments as at 31 December 2015 and 2014.

Outlook

The year 2015 was a very difficult year to the 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 Group believes that with the benefit of the depreciation of the RMB recently and the supporting policies announced by the "Two Sessions" kicked off at Beijing on March 2016, the performance of the terminal and logistics services segment will slowly pick up.

Meanwhile, the Group is still cautious of the outlook of the polishing materials and equipment business locally and internationally. The Group will continue to explore effective cost-saving measure, concentrate on selling products with high profit margin, expand its distribution networks and maintain its product lines in order to improve the profitability of the business segment.

Our investment business segment continued to record improvement. However, due to the extreme unstable 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.

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

Material Acquisitions

On 9 February 2015, the Group entered into an agreement with Sino Coronet Limited for acquisition of the convertible bonds with the principal amount of HK\$6,500,000 issued by China Eco-Farming Limited at consideration of HK\$65,000,000. Further details of the acquisition are set out in the Company's announcement dated 9 February 2015.

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 Group Limited ("HKEGCG"), 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"). HKEGCG has agreed to further invest US\$6 million into Beijing Ever Grand. HKEGCG 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, 26 October 2015 and 7 January 2016.

Employees and Remuneration

As at 31 December 2015, the Group had approximately 42 (2014: 40) 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 Group.

PURCHASE, REDEMPTION OR SALE OF LISTED SHARES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the year.

CORPORATE GOVERNANCE PRACTICE

The Board considers that good corporate governance of the Company is crucial to safeguarding the interests of the shareholders and enhancing the performance of the Group. The Board is committed to maintaining and ensuring high standards of corporate governance. The Company has applied the principles and complied with all the applicable code provisions of the Corporate Governance Code ("CG Code") as set out in Appendix 14 of the Listing Rules for the year ended 31 December 2015, except for the following deviations:

1. Code Provision A.6.7

Under Code Provision A.6.7 of the CG Code, the non-executive director and independent non-executive directors should attend the annual general meetings of the Company. Mr. Cheng Kwok Woo, a non-executive director and Mr. Goh Choo Hwee, independent non-executive director of the Company were unable to attend the annual general meeting of the Company held on 11 June 2015 due to their other business commitments.

2. Code Provision B.1.2

The terms of reference of the Remuneration Committee exclude review of and making recommendations to the Board in relation to senior management remuneration as in the Board's opinion, it was more appropriate for the executive directors to perform these duties.

3. Code Provision E.1.2

Under Code Provision E.1.2 of the CG Code, the Chairman of the Board should attend the annual general meeting. Mr. Wong Lik Ping, Chairman of the Board was unable to attend the annual general meeting of the Company held on 11 June 2015 due to his other important commitment.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as its code of conduct for dealings in securities of the Company by the directors. Following a specific enquiry, all directors confirmed that they have complied with the required standards set out in the Model Code throughout the year ended 31 December 2015.

AUDIT COMMITTEE REVIEW

The Company has an audit committee which was established in accordance with the requirements of the CG Code, for the purposes of reviewing and providing supervision over the financial reporting process and internal controls of the Group. The audit committee comprises 3 independent non-executive directors of the Company. The audit committee has adopted terms of reference which are in line with the CG Code. The Group's consolidated financial statements for the year ended 31 December 2015 have been reviewed and approved by the audit committee.

BROAD OF DIRECTORS

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) Mr. Cheng Kwok Woo and Ms. Yeung Sau Han Agnes, as non-executive directors, and (3) Mr. Goh Choo Hwee, Mr. Ho Hin Yip and Mr. U Keng Tin as independent non-executive directors.

On behalf of the Board
China Ever Grand Financial Leasing Group Co., Ltd.
Wong Lik Ping
Chairman

Hong Kong, 29 March 2016