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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 as 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 of the directors (the “Board”) wishes to inform the shareholders of the Company and the potential investors that, based on the preliminary unaudited consolidated management accounts of the Group for the year ended 31 December 2017 (the “Current Year”), the Group is expected to record a net loss for the Current Year as compared to a net profit of approximately HK\$51.8 million for the year ended 31 December 2016 (the “Corresponding Year). Such adverse change is mainly attributable to (i) the significant decrease in gross profit amount contributed from the finance lease business roughly by half primarily due to an unfavorable financial environment in the PRC where the tight liquidity and rising interest rates resulting from the strict regulatory policies made the Group difficult to obtain bank credits to finance the potential finance lease project and thus lowering the lease volume and overall profitability. The increasingly intensified competition in the finance lease industry as a result of increasing number of finance lease company in the PRC also aggravated the business performance. (ii) recognition of a non-cash impairment loss on goodwill of not more than approximately HK\$50 million which arose when the finance lease business was acquired in January 2016. It is mainly triggered by the unfavorable change in the market conditions in 2017 which factored in the latest 4-year period financial budget in which the revenue and gross profit margin were adjusted downward as compared with the last year budget and thus a shortfall was recognized as impairment loss accordingly. (iii) adverse change in the fair value of securities investments from an overall profit of HK\$38.0 million from the convertible bonds and the listed shares in the Corresponding year to a loss of approximately HK\$27 million from the listed shares in the Current Year and (iv) absence of an one-off gain on disposal of subsidiaries of HK\$20.5 million in the Corresponding Year.

The Company is still in the process of finalising the Group's annual results for the year ended 31 December 2017 which is to be published on 23 March 2018. This profit warning announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group which are subject to finalization and other potential adjustments, if any, and have not been reviewed or confirmed by the Company's auditors or the audit committee of the Board.

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, 13 March 2018

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. Yeung Sau Han Agnes as Non-Executive Director; and (3) Mr. Goh Choo Hwee, Mr. Ho Hin Yip and Mr. U Keng Tin as Independent Non-Executive Directors.