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INTERNATIONAL ALLIANCE FINANCIAL LEASING CO., LTD.
国际友联融资租赁有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1563)

PROFIT WARNING

This announcement is made by International Alliance Financial Leasing Co., Ltd. (the "**Company**" and together with its subsidiaries, 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 (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the "**Board**") would like to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2020 and the information currently available to the Board, it is expected that the Group will record a consolidated net loss for the six months ended 30 June 2020 not more than approximately RMB40 million, as compared to the loss of approximately RMB3.3 million recorded for the six months ended 30 June 2019. Based on the information currently available, the Board considers that the expected net loss was mainly attributable to the impairment provisions for the finance lease receivables due to certain lessees' delay in repaying the principal and/or interest under the International Financial Reporting Standard 9 – Financial Instruments. Such expected net loss is non-cash in nature and do not have any material impact on the cash flow of the Group. In addition, due to the impact of the novel coronavirus (COVID-19) epidemic, the process of legal proceedings and other measures taken by the Company to recover the outstanding principal and/or interest has been delayed as compared to the usual time. The Group is expected to be profitable before aforementioned provisions made.

The Group's management will continue to deploy different means, including but not limited to instituting legal proceedings, in order to protect its rights and entitlements under the relevant finance lease agreements.

The Company is still in the process of finalising the interim results of the Group for the six months ended 30 June 2020. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to the Group, which has not yet been audited or reviewed by the Company's auditor and the audit committee of the Company. The actual unaudited consolidated interim results for the Group may be different from what is disclosed in this announcement. Shareholders and investors should read carefully the interim results announcement of the Company for the six months ended 30 June 2020 which is expected to be published in August 2020.

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

By Order of the Board
International Alliance Financial Leasing Co., Ltd.
Li Luqiang
Executive Director and Chief Executive Officer

Hong Kong, 17 August 2020

As at the date of this announcement, the executive Directors are Mr. Li Luqiang, Mr. Li Zhixuan and Ms. Xu Juan; and the independent non-executive Directors are Mr. Liu Changxiang, Mr. Liu Xuewei and Mr. Jiao Jian.