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INSIDE INFORMATION

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 Group became aware that one of its customers in the People’s Republic of China (“**PRC**”), Sanya Phoenix International Airport Company Limited* (三亞鳳凰國際機場有限責任公司) (the “**Customer**”) received a notice from the Hainan Higher People’s Court* (海南省高級人民法院) (the “**Court**”). According to the notice, a creditor of the Customer filed to the Court for a reorganisation petition against the Customer (the “**Reorganisation Petition**”), and as of the date of this announcement, the Reorganisation Petition has been accepted by the Court. The reorganisation procedure may have a material impact on the debt and shareholding structures of the Customer.

Based on the publicly available information, creditors of the other group companies of the Customer (the “**Customer’s Group**”), including the Customer’s immediate holding company, HNA Airport Holding (Group) Co., Ltd.* (海航機場控股(集團)有限公司) (the “**Guarantor**”), also filed reorganisation petitions against the Customer’s Group, and these reorganisation petitions were also accepted by the Court.

The Customer principally engages in airport support services of domestic and international flights in Hainan Province, the PRC. In June 2017, the Group and the Customer entered into a sale-leaseback transaction in which the Group provided a principal amount of RMB135 million to the Customer whereas the Customer provided leased assets of aviation facilities and other security(ies) as security and a corporate guarantee from the Guarantor as credit enhancement measures (the “**Transaction**”). The proceeds of the Transaction were fully financed by a back-to-back borrowing from a bank (the “**Bank**”) in the PRC on recourse basis. As at the date of this announcement, according to our internal financial record, the whole principal amount was still outstanding. As of 30 June 2020 and 31 December 2019, provisions for impairment loss on the loan receivable of RMB20 million and RMB5 million were made respectively. For the particulars of the loan receivable and the provision calculation, please refer to page 38 of the 2020 interim report and page 13 of the 2019 annual report of the Company.

At this stage, the board of directors of the Company (the “**Board**”) is currently assessing the impact brought by this matter on the Group. The Company will closely monitor the progress of the Reorganisation Petition and take appropriate action to minimise the negative impact on the Group, if any. The Company will make further announcement to inform the shareholders and potential investors of any material developments of the matter as and when appropriate.

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, 11 February 2021

As at the date of this announcement, the Board comprises (1) Mr. Wong Lik Ping, Mr. Lai Ka Fai, Mr. Tao Ke, Mr. Qiao Weibing and Mr. Ng Tin Shui as executive Directors; (2) non-executive Director: Ms. Yip Man Yi and (3) Mr. Goh Choo Hwee, Mr. Ho Hin Yip, Mr. U Keng Tin and Mr. Leung Yiu Ming, David as independent non-executive Directors.

* *For identification purposes only*