

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



VOLUNTARY ANNOUNCEMENT UPDATE ON CONTINGENT LIABILITIES

Reference is made to the annual report for the year ended 31 December 2021 and the interim reports for the six months ended 30 June 2021 and 30 June 2022 of China Ever Grand Financial Leasing Group Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) regarding the contingent liabilities of the Group.

As at 30 June 2022, 31 December 2021 and 30 June 2021, there was a litigation in the People’s Republic of China (the “**PRC**”) about an alleged breach of loan contract brought by The Export-Import Bank of China (“**EXIM Bank**”) against Beijing Ever Grand International Financial Leasing Co. Limited (“**BJEG**”), a non-wholly owned subsidiary of the Company in the PRC. A court hearing was held in late April 2021. The loan contract was related to Qinghai Pingan High-precision Aluminum Industry Co., Ltd (“**Qinghai**”), and its terms and amount of loan proceeds were back-to-back with those of the finance lease agreement with Qinghai. In this appeal, EXIM Bank as an appellant appealed to overturn the judgement at the first instance (Notification [2020] Shan 01 Min Chu 659) handed down by the Intermediate People Court of Xi’an City, Shanxi Province which dismissed EXIM Bank’s claims brought against BJEG regarding the alleged breach of loan contract in December 2020. In the appeal case, EXIM Bank reinstated its claims to require BJEG to repay the outstanding principal, overdue interests (i.e. normal, compound and penalty to be charged at 50% of the prevailing commercial lending standard rate of the same kind in the PRC plus 15%) under the loan contracts and court fees or requested to return the case for retrial. As at 30 June 2022, the relevant carrying amount of outstanding principal and interest amounted to RMB200 million and RMB33.3 million recorded in borrowing and other payable, respectively.

The board of directors of the Company announces that in September 2022, BJEG received the second trial civil judgement of the appeal case (which is a final judgement) pursuant to which, among others, the Higher People's Court of the Shanxi Province of the PRC dismissed the appeal. The Company considers that there will be no material adverse impact on the operation of BJEG as a result of the judgement. The Company is in the course of discussion with its PRC legal adviser and auditors in relation to the financial impact from the judgement. However, as the audit of the Group for the year ending 31 December 2022 has yet to commence, the Company is not in the position to finalise the determination of financial impact from the judgement at this moment. Further announcement in respect of any material financial impact will be made by the Company after finalisation with its PRC legal adviser and auditors.

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

Hong Kong, 30 September 2022

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) Ms. Yip Man Yi as non-executive director; and (3) Mr. Lo Tsun Yu, Mr. Ho Hin Yip, Mr. U Keng Tin and Mr. Leung Yiu Ming, David as independent non-executive directors.