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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 financial year ended 31 December 2018 (the “**Current Year**”), the Group is expected to record a significant increase in loss of approximately HK\$300 million to HK\$450 million as compared to a net loss of approximately HK\$35.8 million for the financial year ended 31 December 2017. Such increase is mainly attributable to (i) loss on disposal of partial interest in a joint venture and the grant of the call option of approximately of HK\$230 million upon the completion of the disposal (“**Loss on Disposal**”); (ii) recognition of non-cash impairment loss on goodwill relating to the acquisition of finance lease business of not more than approximately HK\$72 million as a result of its lower-than-expected performance primarily due to an economic turmoil in the People’s Republic of China (the “**PRC**”). Such economic turmoil was triggered by the US-PRC trade war and consequently affected the customers’ sentiment on capital investments and financing needs. The strict regulatory policies and intensified competition in the finance lease industry in the PRC also contributed to the decrease in the lease volume and overall profitability which in turn adversely affected the segment revenue and profit in the Current Year; and (iii) the overall loss in the fair value of securities investments and expected impairment loss on the loan receivable(s). The Loss on Disposal and the impairment loss on goodwill are non-cash items and have no material effect on the Group’s daily operations and cash flow.

The Company is still in the process of finalising the Group's annual results for the financial year ended 31 December 2018 which is expected to be published on or about 26 March 2019. This profit warning announcement is only based on the Board's preliminary assessment on the unaudited consolidated management accounts of the Group which are subject to finalisation and adjustments, if any, and have not been reviewed nor confirmed by the independent auditors and the audit committee of the Board. The actual financial results of the Group for the financial year ended 31 December 2018 may be different from the information disclosed herein.

**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, 5 March 2019

*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; and (2) Mr. Goh Choo Hwee, Mr. Ho Hin Yip and Mr. U Keng Tin as independent non-executive Directors.*