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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)

VOLUNTARY ANNOUNCEMENT ON LITIGATION

This announcement is made by International Alliance Financial Leasing Co., Ltd. (the “**Company**”) on a voluntary basis.

南山融資租賃(天津)有限公司 (Nanshan Financial Leasing (Tianjin) Co., Ltd.) (“**Nanshan Leasing**”), a wholly-owned subsidiary of the Company, as plaintiff, has recently filed a lawsuit (the “**Lawsuit**”) against The People’s Hospital of Ne He (訥河市人民醫院) (“**Ne He Hospital**”) and Nehe City Investment Co., Ltd. (“**Ne He Investment**”) at No. 3 Intermediate People’s Court of Tianjin (the “**Court**”) and received the Notice of Case Acceptance (2019 (Jin) 03 Min Chu No. 219) issued by the Court.

On 25 August 2017, Nanshan Leasing and Ne He Hospital entered into a finance leasing agreement (the “**Agreement**”), pursuant to which Ne He sold certain healthcare equipment (the “**Equipment**”) to Nanshan Leasing at the purchase price of RMB70,000,000 (the “**Purchase Price**”) and Nanshan Leasing leased back the Equipment to Ne He Hospital at a rental fee of RMB4,212,085 quarterly for a period of five years. On 28 August 2017, Nanshan Leasing paid the Purchase Price to Ne He Hospital pursuant to the Agreement.

As for the payment obligation of Ne He Hospital bound in above Agreement, Nanshan Leasing and Ne He Investment entered into a guarantee agreement, pursuant to which Ne He Investment as guarantor agreed to guarantee to make the payment to the Nanshan Leasing when Ne He Hospital failed to deliver.

As at the date of this announcement, despite various demands made by Nanshan Leasing, Ne He Hospital had failed to pay certain rental fee when due pursuant to the Agreement. Accordingly, Nanshan Leasing filed the Lawsuit against:

1. Ne He Hospital for approximately RMB78,896,862.82, being, among others, the unpaid rental fee owed by Ne He Hospital, the outstanding rental fee for the remaining term, penalty, liquidated damages and other expenses incurred by Nanshan Leasing.

2. Ne He Investment for holding joint liability for the above payment.

The Company will make further announcements as and when appropriate to update its shareholders and potential investors on any significant progress of the legal action.

Shareholders of the Company and potential investors 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

Hong Kong, 4 September 2019

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