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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**”) wishes 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 year ended 31 December 2019 and the information currently available to the Board, it is expected that the Group will record a consolidated net loss for the year ended 31 December 2019 as compared to the net profit recorded for the year ended 31 December 2018.

Based on the information currently available, the Board considers that the expected net loss was mainly attributable to overall impairment losses on finance lease receivables due to (i) the change in market conditions in terms of an increasingly challenging business environment affecting lessees’ ability to make timely repayments, particularly for certain lessees in the healthcare industry; and (ii) the approach to make impairment provisions for the finance lease receivables due to lessees’ delay in repaying the principal and/or interest under the International Financial Reporting Standard 9 – Financial Instruments. The Board wishes to emphasise that the aforementioned provisions being the preparation of potential risks are made under careful consideration, are non-cash in nature and do not have any material impact on the cash flow of the Group. The Group is expected to be profitable before the aforementioned provisions made.

Notwithstanding the above, the Group’s management will consider deploying different means, including but not limited to instituting legal proceedings when and as appropriate, in order to protect its rights and entitlements under the relevant finance lease agreements.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2019. The information contained in this announcement is only a preliminary assessment by the Board based on the information currently available to the Group, which is subject to change in market conditions and has not yet been audited or reviewed by the Company's auditor and the audit committee of the Company. The actual annual results for the Group may be different from what is disclosed in this announcement. Shareholders and investors should read carefully the annual results announcement of the Company for the year ended 31 December 2019.

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, 19 March 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 Xuwei and Mr. Jiao Jian.