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**CHINA RONGZHONG FINANCIAL HOLDINGS COMPANY LIMITED**  
**中國融眾金融控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 03963)**

**PRELIMINARY ANNOUNCEMENT OF THE AUDITED ANNUAL RESULTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 AND  
CLOSURE OF REGISTER OF MEMBERS**

**AUDITED ANNUAL RESULTS**

The board (the “Board”) of directors (the “Directors”) of China Rongzhong Financial Holdings Company Limited (the “Company”, and together with its subsidiaries, the “Group”) hereby announces the audited consolidated financial results of the Group for the year ended 31 March 2021 (the “Reporting Period”) with comparative audited figures for the year ended 31 March 2020. All amounts set out in this announcement are expressed in Hong Kong dollars (“HK\$”) unless otherwise indicated.

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 March 2021

	Notes	2021 HK\$'000	2020 HK\$'000
Revenue	6	15,821	27,484
Other income	7	1,082	405
Gain on disposal of financial assets		7,273	–
Other gains and losses		(878)	1,279
Staff costs		(5,978)	(6,473)
Impairment losses on financial assets		(98,032)	(48,218)
Other operating expenses		(11,086)	(10,337)
Finance costs	8	<u>(29,585)</u>	<u>(30,076)</u>
Loss before income tax		(121,383)	(65,936)
Income tax credit	9	<u>–</u>	<u>210</u>
Loss for the year	10	(121,383)	(65,726)
<b>Other comprehensive expense</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		<u>(4,372)</u>	<u>(3,696)</u>
Total comprehensive expense for the year		<u><u>(125,755)</u></u>	<u><u>(69,422)</u></u>
Loss per share	12		
Basic and diluted ( <i>HK cents</i> )		<u><u>(29)</u></u>	<u><u>(16)</u></u>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	<i>Notes</i>	<b>2021</b> <b>HK\$'000</b>	2020 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		40	168
Lease receivables and receivables arising from sale and leaseback arrangements	13	94,117	123,816
Security deposits		1,190	–
		<u>95,347</u>	<u>123,984</u>
<b>Current assets</b>			
Lease receivables and receivables arising from sale and leaseback arrangements	13	723,552	747,226
Loan receivable		5,563	6,621
Prepayments and other receivables		8,501	8,314
Security deposits		1,697	7,352
Short term bank deposits with original maturity within three months		6,636	14,775
Bank balances and cash		5,671	6,812
		<u>751,620</u>	<u>791,100</u>
<b>Current liabilities</b>			
Deposits from customers		214,813	206,047
Other payables and accrued charges		17,707	17,956
Deferred income		9	9
Lease liabilities		482	1,209
Tax liabilities		64,133	59,858
Bank borrowings	14	443,688	107,822
		<u>740,832</u>	<u>392,901</u>
<b>Net current assets</b>		<u>10,788</u>	<u>398,199</u>
<b>Total assets less current liabilities</b>		<u>106,135</u>	<u>522,183</u>
<b>Non-current liabilities</b>			
Lease liabilities		–	467
Bank borrowings	14	216,125	506,434
		<u>216,125</u>	<u>506,901</u>
<b>Net (liabilities)/assets</b>		<u>(109,990)</u>	<u>15,282</u>
<b>Capital and reserves</b>			
Share capital		4,125	4,125
Reserves		(114,115)	11,157
<b>(Capital deficiency)/total equity</b>		<u>(109,990)</u>	<u>15,282</u>

## **NOTES**

*For the year ended 31 March 2021*

### **1. GENERAL**

China Rongzhong Financial Holdings Company Limited (the “Company”) was incorporated in the Cayman Islands and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (collectively referred to as the “Group”) are provision of financial leasing services in the People’s Republic of China (the “PRC”).

The functional currency of the Company is Renminbi (“RMB”). The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) as the Company is listed on the Stock Exchange.

### **2. BASIS OF PREPARATION**

#### **2.1 Going concern basis**

The Group recorded a net loss attributable to owners of the Company of HK\$121,383,000 for the year ended 31 March 2021 and capital deficiency of HK\$109,990,000 as at 31 March 2021. In addition, the worsened general economic environment caused by the outbreak of the COVID-19 pandemic has further adversely impacted on the collectability of the lessees of the Group’s lease receivables and receivables arising from sale and leaseback arrangements because these lessees are mostly small and medium enterprises in the Hubei Province of the PRC. As at 31 March 2021, the Group had lease receivables and receivables arising from sale and leaseback arrangements with a gross carrying amount of HK\$1,870,147,000 that were all past due and an aggregate impairment loss of HK\$1,052,478,000 was provided for these receivables (Note 13). At the same date, the Group had bank borrowings of HK\$443,688,000 that were repayable within 12 months after the end of the reporting period while the cash and cash equivalents maintained was HK\$12,307,000 only. These conditions indicate that a material uncertainty exists that may cast significant doubt about the Group’s ability to continue as a going concern and therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

## 2. BASIS OF PREPARATION (Continued)

### 2.1 Going concern basis (Continued)

In view of these circumstances, the directors of the Company have prepared a cash flow forecast covering a period of 18 months from the end of the reporting period. In doing so, they have given careful consideration to the future liquidity and cash flows of the Group in assessing whether the Group will have sufficient financial resources to continue as a going concern after taking account of the following plans and measures:

**(i) Implementation of measures to expedite the realisation of lease receivables and receivables arising from sale and leaseback arrangements**

The Group has been taking active measures to expedite the realisation of lease receivables and receivables arising from sale and leaseback arrangements through various channels including lawsuit, debt restructuring, and other methods that are considered effective and can improve the liquidity position of the Group.

Subsequent to 31 March 2021, the Group obtained a letter of undertaking from a company under the joint control of certain major shareholders of the Company (the “Related Party”), three independent parties and a director of a subsidiary of the Company. Pursuant to the undertaking, the Related Party agreed to take up: (i) certain lease receivables and receivables arising from sale and leaseback arrangements; and (ii) certain bank borrowings of the Group. As at 31 March 2021, the relevant lease receivables and receivables arising from sale and leaseback arrangements were approximately HK\$288,719,000 while the relevant bank borrowings were approximately HK\$506,980,000. The execution of the undertaking by the Related Party is depending on the approval from the relevant bank for transfer of bank borrowings. Pursuant to the Company’s announcement on 28 June 2021, the Group is applying to the relevant bank for transfer of bank borrowings to the Related Party. For illustrative purposes only, based on the figures as at 31 March 2021, should the Group be able to complete the transfer and could be derecognised of those receivables and bank borrowings according to Hong Kong Financial Reporting Standards (“HKFRSs”), the Group’s consolidated net assets would increase by HK\$218,261,000.

**(ii) Implementation of active cost-saving measures**

The Group continues to take active measures to control administrative costs through various channels to improve operating cash flows and its financial position.

**(iii) Negotiation of the renewal of bank borrowings**

In June 2021, the Group successfully renewed its bank borrowings with principal amounts of approximately HK\$232,347,000 that were repayable within 12 months after the end of the reporting period for at least 13 months. The directors of the Company are of the view that the remaining bank borrowings, being HK\$211,341,000 out the amount HK\$443,688,000, could be extended beyond 12 months from the date of this announcement.

Based on the above plans and measures, the directors of the Company are of the opinion that the Group will have sufficient working capital to satisfy its requirements for at least the next twelve months from the date of this announcement and, accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to achieve the abovementioned plans and measures, it would be unable to meet its financial commitments based on the current level of its cash resources and unable to operate as a going concern, adjustments would have to be made to write down the carrying values of the Group’s assets to their net realisable amounts; to provide for further liabilities which may arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effects of these adjustments have not been reflected in these consolidated financial statements.

## 2. BASIS OF PREPARATION (Continued)

### 2.2 Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards HKASs and Interpretations (hereinafter collectively referred to as the “HKFRS”) and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

### 2.3 Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis.

## 3. ADOPTION OF HKFRSs

### 3.1 Adoption of new and revised HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (“the new HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), which are relevant to and effective for the Group’s consolidated financial statements for the annual period beginning on 1 April 2020:

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Conceptual Framework for Financial Reporting	Revised Conceptual Framework for Financial Reporting

The adoption of the new HKFRSs has no material impact on the Group’s consolidated financial statements. In addition, the Group has early adopted the amendment to HKFRS 16 – Covid-19-Related Rent Concessions ahead of the effective date and applied the amendment from 1 April 2020.

HKFRS 16 was amended to provide a practical expedient to lessees in accounting for rent concessions arising as a result of the Covid-19 pandemic, by including an additional practical expedient in HKFRS 16 that permits entities to elect not to account for rent concessions as modifications. The practical expedient applies only to rent concessions occurring as a direct consequence of Covid-19 pandemic and only if all of the following criteria are satisfied:

- a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- b) the reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- c) there is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with this practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of lease modification. Lessees shall apply other requirements of HKFRS 16 in accounting for the rent concession.

### 3. ADOPTION OF HKFRSs (Continued)

#### 3.1 Adoption of new and revised HKFRSs (Continued)

Accounting for rent concessions as lease modifications would have resulted in the Group remeasuring the lease liability to reflect the revised consideration using a revised discount rate, with the effect of the change in the lease liability recorded against the right-of-use asset. By applying the practical expedient, the Group is not required to determine a revised discount rate and the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

The adoption of amendment to HKFRS 16 has no material impact on the consolidated financial statements.

#### 3.2 New/revised HKFRSs that have been issued but are not yet effective

The following new/revised HKFRSs, potentially relevant to the Group's consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 3 Amendments to HKAS 16	Reference to the Conceptual Framework <sup>3</sup> Property, Plant and Equipment: Proceeds before Intended Use <sup>3</sup>
Amendment to HKAS 37 Amendments to HKFRS 16	Onerous Contracts — Cost of Fulfilling a Contract <sup>3</sup> Covid-19 - Related Rent Concessions beyond 30 June 2021 <sup>2</sup>
Amendments to HKFRS 1, HKFRS 9, HKFRS 16 and HKAS 41 Amendments to HKAS 1	Annual Improvements to HKFRSs 2018-2020 Cycle <sup>3</sup>  Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>4</sup>
Amendments to HKAS 39, HKFRS 4, HKFRS 7, HKFRS 9 and HKFRS 16 Amendments to HKAS 1 Amendments to HKAS 8 Amendments to HKAS 12	Interest Rate Benchmark Reform — Phases 2 <sup>1</sup>  Disclosure of Accounting Policies <sup>4</sup> Definition of Accounting Estimates <sup>4</sup> Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2021

<sup>2</sup> Effective for annual periods beginning on or after 1 April 2021

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2022

<sup>4</sup> Effective for annual periods beginning on or after 1 January 2023

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. The new and revised HKFRSs have been issued but are not yet effective and are unlikely to have material impact on the Group's financial statements upon application.

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

##### Critical judgements

##### *Going concern assumption*

The assessment of the going concern assumption involves making a judgement by the directors of the Company, at a particular point of the time, about the future outcome of events or conditions which are inherently uncertain. The directors consider that the Group has the capability to continue as a going concern and the going concern assumption is set out in note 2.1 to this announcement.

##### Key sources of estimation uncertainty

The following is the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year.

##### Impairment of financial assets

The measurement of impairment losses under HKFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

At each reporting date, the Group assesses whether there has been a significant increase in credit risk for exposures since initial recognition by comparing the risk of default occurring over the expected life between the reporting date and the date of initial recognition. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort for this purpose. This includes quantitative and qualitative information and also, forward-looking analysis.

#### 5. SEGMENT INFORMATION

The directors of the Company have determined that the Group has only one operating and reportable segment throughout the reporting period. The Group is principally engaged in providing financial leasing services in the PRC. The executive director of the Company, being the chief operating decision maker of the Group, reviews the consolidated financial position and results of the Group as a whole for the purposes of allocating resources and assessing performance of the Group.

The Company is an investment holding company and the principal place of the Group's operation is in the PRC. All the Group's revenue and non-current assets are principally attributable to the PRC.

Revenue from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Customer A ( <i>note i</i> )	–	6,095
Customer B	6,203	6,324
Customer C ( <i>note ii</i> )	–	3,550
Customer D	2,188	3,048

*Notes:*

- i) No revenue was generated from this customer for the year ended 31 March 2021.
- ii) The revenue from this customer contributed less than 10% of the total revenue of the Group for the year ended 31 March 2021.



## 6. REVENUE

Revenue for the reporting period represents income received and receivable from the provision of financial leasing services in the PRC.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest income arising from sale and leaseback arrangements	15,535	23,934
Finance lease income	<u>286</u>	<u>3,550</u>
	<u><b>15,821</b></u>	<u><b>27,484</b></u>

## 7. OTHER INCOME

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Bank interest income	120	405
Government subsidies ( <i>note</i> )	216	–
Others	<u>746</u>	<u>–</u>
	<u><b>1,082</b></u>	<u><b>405</b></u>

*Note:* The amount represented the government grants obtained from Employment Support Scheme (“ESS”) under the Anti-epidemic Fund launched by the Hong Kong Special Administrative Region Government supporting the payroll of the Group’s employees. Under the ESS, the Group had to commit to spend these grants on payroll expenses, and not reduce employee head count below prescribed levels for a specified period of time. The Group does not have other unfulfilled obligations relating to this program.

## 8. FINANCE COSTS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Interest on borrowings	29,473	29,784
Imputed interest expense on interest-free deposits from customers	49	163
Interest on lease liabilities	<u>63</u>	<u>129</u>
	<u><b>29,585</b></u>	<u><b>30,076</b></u>

## 9. INCOME TAX CREDIT

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Current tax		
Enterprise Income Tax in the PRC		
– Tax for the year	–	–
– Over provision in prior year	<u>–</u>	<u>(210)</u>
Income tax credit	<u><b>–</b></u>	<u><b>(210)</b></u>

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group’s operation in Hong Kong had no assessable profits during both years.

Under the Enterprise Income Tax Law of PRC (the “EIT Law”) and the Implementation Regulation of the EIT Law, the subsidiary in the PRC is subject to the tax rate of 25% during both years.

## 10. LOSS FOR THE YEAR

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss for the year has been arrived at after charging:		
Directors' remuneration:		
– Fee	840	1,140
– Short-term employee benefits	1,032	1,032
– Retirement benefit scheme contributions	18	18
– Equity-settled share-based payments	440	74
Salaries, allowances and other staff benefits	3,562	3,998
Staff's retirement benefit scheme contributions	86	211
	<u>5,978</u>	<u>6,473</u>
Total staff costs		
	<u>5,978</u>	<u>6,473</u>
Depreciation of property, plant and equipment	147	1,618
Auditor's remuneration	2,300	1,280
Short-term lease expenses	236	505
Impairment losses on property, plant and equipment	42	1,604

## 11. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the year ended 31 March 2021, nor has any dividend been proposed since the end of the reporting period (2020: nil).

## 12. LOSS PER SHARE

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Loss:		
Loss for the year attributable to owners of the Company for the purpose of basic and diluted loss per share	<u>121,383</u>	<u>65,726</u>
	2021 <i>'000</i>	2020 <i>'000</i>
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>412,509</u>	<u>412,509</u>

The basic and diluted loss per share is calculated based on the loss attributable to owners of the Company and the weighted average number of ordinary shares for the years ended 31 March 2021 and 2020.

The calculation of diluted loss per share for the year ended 31 March 2021 does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for shares.

### 13. LEASE RECEIVABLES AND RECEIVABLES ARISING FROM SALE AND LEASEBACK ARRANGEMENTS

The Group provides financial leasing services in the PRC.

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Lease receivables	18,269	17,136
Receivables arising from sale and leaseback arrangements	<u>799,400</u>	<u>853,906</u>
	<u><b>817,669</b></u>	<u><b>871,042</b></u>
	<b>Minimum lease payments</b>	
	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Lease receivables and receivables arising from sale and leaseback arrangements comprise:		
Within one year	1,783,211	1,658,248
In more than one year but not more than two years	23,955	56,089
In more than two years but not more than three years	23,022	22,024
In more than three years but not more than four years	22,088	21,153
In more than four years but not more than five years	19,964	20,282
More than five years	<u>18,635</u>	<u>35,359</u>
	<b>1,890,875</b>	1,813,155
Less: Unearned finance income	<u>(20,728)</u>	<u>(31,562)</u>
	<b>1,870,147</b>	1,781,593
Less: Impairment allowance	<u>(1,052,478)</u>	<u>(910,551)</u>
	<u><b>817,669</b></u>	<u><b>871,042</b></u>
Analysed for reporting purposes as:		
Current assets	723,552	747,226
Non-current assets	<u>94,117</u>	<u>123,816</u>
	<u><b>817,669</b></u>	<u><b>871,042</b></u>

The Group's lease receivables and receivables arising from sale and leaseback arrangements are denominated in RMB which is the functional currency of the relevant group entity. The effective interest rates of the above lease receivables and receivables arising from sale and leaseback arrangements range mainly from 8.3% to 15.4% (2020: 7.6% to 14.7%) per annum as at 31 March 2021.

Lease receivables and receivables arising from sale and leaseback arrangements are mainly secured by leased assets which are used in laser processing, plastics, industrial processing, textile and garment, hotel and leisure and other industries, customers' deposits and leased assets repurchase arrangement where applicable. Customers' deposits are collected and calculated based on a certain percentage of the entire value of the lease contract. The deposits are returned to the customers in portion over the lease contract or in full by end of lease period according to the terms of the lease contract. When the lease contract expires and all liabilities and obligations under the lease contract had been fulfilled, the lessor must return the full lease deposits to the lessee. The balance of the customers' deposits can also be applied and used to settle any outstanding lease payments for the corresponding lease contract. Additional collateral may be obtained from customers to secure their repayment obligations under leases and sale and leaseback arrangements and such collaterals include vessels, commercial and residential properties, equipment and machineries. There was no unguaranteed residual value of leased assets and no contingent rent arrangement that needed to be recognised in both periods.

### 13. LEASE RECEIVABLES AND RECEIVABLES ARISING FROM SALE AND LEASEBACK ARRANGEMENTS (Continued)

Lease receivables and receivables arising from sale and leaseback arrangements were considered credit-impaired when the customers fail to settle according to the settlement terms for more than 90 days after taking into consideration the recoverability of collateral and deposits. As at 31 March 2021 and 2020, the entire carrying amounts of lease receivables and receivables arising from sale and leaseback arrangements were determined to be impaired under the lifetime expected credit losses (“ECL”). The lifetime ECL impaired receivables related to those credit exposures where there has been a significant increase in credit risk since initial recognition, which the loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

Movements of the provision for impairment losses on lease receivables and receivables arising from sale and leaseback arrangements are as follows:

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
At 1 April	910,551	899,192
Impairment losses recognised, net	96,974	46,713
Unwinding discount on loss allowance	997	4,610
Disposals	(23,974)	–
Exchange realignment	67,930	(39,964)
	<u>1,052,478</u>	<u>910,551</u>

### 14. BANK BORROWINGS

	2021 <i>HK\$'000</i>	2020 <i>HK\$'000</i>
Secured	659,813	157,116
Unsecured	–	457,140
	<u>659,813</u>	<u>614,256</u>
Carrying amount repayable:		
Within one year	443,688	107,822
More than one year, but not exceeding two years	216,125	376,434
More than two years, but not exceeding five years	–	130,000
	<u>659,813</u>	<u>614,256</u>
<i>Less: amounts shown under current liabilities</i>	<u>(443,688)</u>	<u>(107,822)</u>
	<u>216,125</u>	<u>506,434</u>

## **EXTRACT OF INDEPENDENT AUDITOR’S REPORT**

The following is an extract of the independent auditor’s report issued by the Group’s independent auditor:

### **Opinion**

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2021 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

### **Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Material Uncertainty Related to Going Concern**

We draw attention to note 2.1 to the consolidated financial statements, which indicates that the Group recorded a net loss attributable to owners of the Company of HK\$121,383,000 for the year ended 31 March 2021 and capital deficiency of HK\$109,990,000 as at 31 March 2021. This condition, along with other matters as set forth in note 2.1 to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS OVERVIEW

The Group is principally engaged in the business of provision of financial leasing services in Hubei Province, PRC. The Group mainly offers two categories of financial leasing services to our customers, namely: (i) sales and leaseback; and (ii) direct financial leasing. In addition, value-added services such as advisory and consultancy services are also offered to our finance lease customers.

## FINANCIAL REVIEW

The following discussion and analysis pertaining to the financial information of the Group.

### Revenue

We have one principal business segment, which is the provision of financial leasing services in the PRC and in turn generates interest income and finance income. Lease contracts are generally priced at a market interest rate, determined with reference to the prevailing interest rates for commercial lending plus a premium. We record both types of income as a single item in the consolidated financial statements. The Group realized revenue for the Reporting Period of approximately HK\$15.8 million, representing a decrease of approximately 42.4% from approximately HK\$27.5 million as recorded in the previous corresponding period ended 31 March 2020. This was mainly due to the Group's prudent and conservative strategy to promote business during the continued static economy in order to safeguard our asset with additional emphasis placed in the recovery of past due lease receivables and receivables arising from sale and leaseback arrangements and enhancement of internal control.

### Staff costs

Staff costs of the Group amounted to approximately HK\$6.0 million for the Reporting Period, representing a decrease of approximately 7.6% from approximately HK\$6.5 million recorded in the previous corresponding period ended 31 March 2020. This was mainly due to the decrease in the number of staff.

### Other operating expenses

During the Reporting Period, other operating expenses of the Group amounted to approximately HK\$11.1 million, representing an increase of approximately 7.2% from approximately HK\$10.3 million recorded in the previous corresponding period ended 31 March 2020. This was mainly due to the increase in operating expenses in relation to collection of lease receivables and receivables arising from sale and leaseback arrangements.

### Impairment losses on financial assets

The impairment losses on financial assets is approximately HK\$98.0 million for the Reporting Period, representing an increase of approximately HK\$49.8 million from approximately HK\$48.2 million recorded in the previous corresponding period ended 31 March 2020.

## **Other income**

Other income of the Group mainly comprised of reversal of over provision for other operating expenses, bank interest income and government subsidies. During the Reporting Period, the other income of the Group amounted to approximately HK\$1.1 million, representing an increase of approximately 167.2% from approximately HK\$0.4 million recorded in the previous corresponding period ended 31 March 2020. Such increase was mainly due to the increase in government subsidies accounted for as financial support and reversal of over-provision for other operating expenses in prior years.

## **Finance costs**

Finance costs of the Group comprised of interest on bank borrowings, interest on lease liabilities and imputed interest expense on interest-free deposits from customers. During the Reporting Period, finance costs of the Group amounted to approximately HK\$29.6 million, representing a decrease of approximately 1.6% from approximately HK\$30.1 million in the previous corresponding period ended 31 March 2020. This was mainly due to the decrease in the principal amount of bank borrowings.

As at 31 March 2021, the outstanding bank borrowings guaranteed by related parties amount to approximately HK\$659.8 million (2020: approximately HK\$614.3 million) and the guarantee fee paid to the related parties during the Reporting Period amount to nil (2020: nil).

## **Loss for the year**

Loss for the year ended 31 March 2021 of the Company amounted to approximately HK\$121.4 million, representing an increase of approximately 84.7% from approximately HK\$65.7 million loss recorded in the previous corresponding period ended 31 March 2020. This was mainly due to the increase in the recognition of provision for the impairment losses on financial assets.

## **Dividend**

The Board does not recommend the payment of any final dividend for the year ended 31 March 2021.

## **Liquidity, financial resources and capital resources**

As at 31 March 2021, the aggregate sum of the Group's bank balances and cash and short-term bank deposits amounted to approximately HK\$12.3 million (2020: approximately HK\$21.6 million), representing a decrease of approximately HK\$9.3 million compared to 31 March 2020. This was due to a combination of multiple effects including the Group's conservative strategy to promote business during the economic downturn resulting in a decrease in business volume, slow-down in the collection of past due financial assets, and thus an increase in the use of internal funding. The working capital (current assets less current liabilities) of the Group were approximately HK\$10.8 million (2020: approximately HK\$398.2 million) and capital deficiency approximately HK\$110.0 million (2020: total equity approximately HK\$15.3 million) respectively.

As at 31 March 2021, the Group's bank borrowings with maturity within one year amounted to approximately HK\$443.7 million (2020: approximately HK\$107.8 million) and the Group's bank borrowings with maturity exceeded one year amounted to approximately HK\$216.1 million (2020: approximately HK\$506.4 million).

Our gearing ratio (total bank borrowings/total equity) as at 31 March 2021 was not applicable (2020: approximately 4019.5%).

### **Charges on group assets**

As at 31 March 2021, the Group's bank borrowings with carrying amount of approximately HK\$634.9 million (2020: approximately HK\$131.8 million) were granted by banks in the PRC and secured by charges over receivables arising from sale and leaseback arrangements of the Group with an aggregate carrying value of approximately HK\$368.2 million (2020: approximately HK\$120.4 million).

As at 31 March 2021, the Group's bank borrowings with carrying amount of approximately HK\$24.9 million (2020: approximately HK\$25.3 million) were secured by bank deposits of approximately HK\$1.2 million (2020: approximately HK\$1.1 million).

### **Employees and remuneration policy**

As at 31 March 2021, the Group had 23 staff located in both Hong Kong and the PRC, and their remuneration is determined based on the employees' performance, experience and prevailing industry practices. The Group also offers other benefits such as medical insurance, retirement schemes and training subsidies to our employees. In addition, the Group has set up a share option scheme for the purpose of providing incentives to the eligible employees.

In Hong Kong, we participate in a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance (Cap 485 of the Laws of Hong Kong). The assets of the MPF Scheme are held separately from those of the Group and are administered by an independent trustee. Under the MPF Scheme, the Group and its employees are each required to make a contribution to the MPF Scheme at 5% of the employees' relevant monthly income subject to a cap, which is currently set at HK\$1,500.

PRC employees are covered by the mandatory social security schemes operated by the PRC government. The Group is required by PRC laws to contribute a certain percentage of payroll costs to the retirement benefits scheme to fund the benefits.

## **RISK FACTORS AND MANAGEMENT**

### **Credit risk of small medium enterprises ("SMEs") in the PRC**

Our business is positioned to fulfill the financing needs of SMEs and the sustainability of our business and future growth depend on our ability to manage our credit risk effectively. As such, any deterioration in our asset quality or collectability of our lease receivables and receivables arising from sale and leaseback arrangements could adversely affect our business, prospects and financial conditions. Due to the continuation of downturn economic pressure in the PRC, it is inevitable for some corporations to be faced with a greater risk of default, especially the SMEs. As most SMEs customers in general have less financial resources in terms of capital or fund raising capability when compared to larger corporations, and as such they are more likely to be adversely affected by changes in market conditions, which poses an increasing risk of default to our Group. Our management has been monitoring the changes of our customers' credit risk, and we had, in fact, in some cases requested additional collaterals and pledged assets from customers as a form of additional precautionary measures. We will continue to closely monitor the value of the related leased assets and the collaterals securing our leases in order to take effective additional precautionary measures to minimize our risk of exposure to such credit risks.



## **Risk relating to funding sources and interest rate**

Our business operation relies substantially on interest-bearing bank loans. We have incurred, and expect to continue to incur, a significant amount of interest expenses relating to our borrowings from various banks. Accordingly, fluctuations in interest rates have affected and will continue to directly and immediately affect our financing costs and, ultimately, our profitability and results of operations. However, our management will continue to closely monitor the changes in interest rate and in turn charge our clients by the same amount in order to minimize our risk of exposure to such interest rate risks.

## **Foreign exchange risk**

Even though substantially all of our revenue and expenses are denominated in Renminbi (“RMB”), fluctuations in exchange rates may nonetheless in the future adversely affect the value of our net assets and earnings. In particular, distributions to holders of our shares are made in Hong Kong dollars. The Group currently does not have a foreign exchange hedging policy to eliminate the currency exposures. However, our management will continue to monitor the related foreign currency exposure closely and will consider appropriate measures should the need arise.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES**

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 March 2021.

## **CONTINGENT LIABILITIES**

As at 31 March 2021, the Group did not have any material contingent liabilities (2020: nil).

## **EVENTS AFTER THE PERIOD UNDER REVIEW**

### **Renewal of certain bank borrowings**

On 21 June 2021, Rongzhong International Financial Leasing Co., Ltd. (融眾國際融資租賃有限公司) (“Rongzhong PRC”), a wholly own subsidiary of the Company, entered into 12 loan extension agreements with the relevant bank to extend the repayment dates of certain bank borrowings with aggregate loan amount of approximately RMB195.2 million (equivalent to approximately HK\$232.4 million). In addition, Rongzhong PRC is applying to the relevant bank for the assignment of certain bank borrowings with the aggregate loan amount of approximately RMB407.7 million (equivalent to approximately HK\$485.4 million) to a company under the joint control of certain major shareholders of the Company. For the details of the agreement, please refer to the Company’s announcement dated 28 June 2021.

### **Supplemental agreement in relation to the acquisition of 51% equity interest in the target company**

On 29 June 2021, the Company (as the “Purchaser”), entered into a second supplemental agreement with Alpha Focus International Limited, Mr. Rozario Bobby Roberto, Ever Art Investment Limited, Forever Management Limited (collectively as the “Vendors”), Mr. Pan Weisi, Mr. Li Jianhui, Silver Creation Investments Limited and Solomon Glory Limited to amend and supplement certain terms of the sale and purchase Agreement (as supplemented by the first supplemental agreement).

For details, please refer to the Company’s announcement date 29 June 2021.

## **Impact of novel coronavirus outbreak to the Group**

The financial year 2020/2021 continued to be extremely difficult and challenging for the Group, due to the outbreak of the novel coronavirus (“COVID-19”) the Group had been forced to suspend its main operations in Wuhan and Hubei Province of the PRC for about three months in 2020. While certain restrictions that was previously imposed had been gradually lifted and the Group is making its best effort to restore its normal operation after months of lock down, the Group’s operation and productivity is still subject to material challenges and uncertainties.

In addition, the continuously worsening in general economic environment as a result of the outbreak of the COVID-19 pandemic has further adversely impacted on the collectability of the lessees of the Group’s lease receivables and receivables arising from sale and leaseback arrangements because these lessees are mostly small and medium enterprises in the Hubei Province of the PRC.

## **PROSPECTS**

Going forward, the Group is likely to face many challenges as a result of the continuously unfavorable economic and political conditions. While the duration of the COVID-19 epidemic remains uncertain and the global political tensions had seriously affected the global economy, the domestic economic recovery remains under pressure. Nonetheless, we remain committed to place a strong emphasis on the recovery of our past due financial assets and the continue enhancement of effective credit risks prevention. In spite of the many proactive measures already taken and implemented, we will continue to closely monitor the collection of past due financial assets. The Group is prepared to continuously improve its internal management structures to enhance the success of the Group’s future development. Furthermore, the Group has been proactively accessing and evaluating potential financial leasing and other business opportunities outside of Hubei province to leverage on the Group’s financial leasing licence which has a nation-wide coverage, as well as exploring other potential low risk financing business such as entrust loans. The Group had also entered into strategic alliance agreements with a few parties pursuant to which each of the counterparties has agreed to assist the Group with its long-term strategic development in respect of businesses including finance leases and other financing businesses nation-wide.

In addition, with the aim to sustain long-term growth of the Group, the Company has been exploring new business opportunities in order to diversify its source of income and creating synergy across multiple operations as well as effectively utilizing the Group’s nation-wide coverage finance lease license. The Company intended to diversify its existing business by expanding into the provision of operating lease business in the PRC. As at the date of this announcement, the company has completed the set up of a new subsidiary in the PRC for engaging in the automobile operating lease business, so as to increase the profitability of the Group and enhancing shareholder’s value as a whole.

## **CONTINUING CONNECTED TRANSACTIONS**

*Expressions used in the sections headed “Connected Persons” and “Exempt Continuing Connected Transactions” shall have the same meanings given to them in the Company’s prospectus dated 18 January 2016 (“Prospectus”).*

## CONNECTED PERSONS

### **Rongzhong Group Limited (“Rongzhong Group”)**

Goldbond Group Holdings Limited (“Goldbond”), as our controlling shareholder and Hony Capital Fund 2008, L.P. (“Hony Capital”), as one of our substantial shareholders, are indirectly interested in 40.00% and 40.00% respectively of the issued share capital in Rongzhong Group. Rongzhong Group is therefore a joint venture of Goldbond and Hony Capital. Pursuant to the Listing Rules, Rongzhong Group, together with Wuhan Jinhong Investment Guarantee Company Limited 武漢金弘投資擔保有限公司 (“Wuhan Jinhong”), an indirect wholly-owned subsidiary of Rongzhong Group, are connected persons of our Company.

### **Wuhan Rongzhong Internet Technology Company Limited, Rongzhong Capital Investments Group Limited**

Mr. Xie Xiaoqing (“Mr. Xie”), one of the substantial shareholders of the Company and a director of certain subsidiaries of the Company, is directly interested in 100.00% and 98.21% respectively of the issued share capital of Wuhan Rongzhong Internet Technology Company Limited 武漢融眾網絡技術有限公司 (“Rongzhong Internet”), and Rongzhong Capital Investments Group Limited 融眾資本投資集團有限公司 (“Rongzhong Capital Investments”). Rongzhong Capital Investments (also referred to as joint venture of a major shareholder in the consolidated financial statements) wholly-owns Wuhan Rongzhong Investment Guarantee Company Limited 武漢欣眾融企業管理有限公司 (formerly known as 武漢市融眾投資擔保有限公司) (“Wuhan Rongzhong”). Pursuant to the Listing Rules, Rongzhong Internet, Rongzhong Capital Investments and Wuhan Rongzhong are associates of Mr. Xie and therefore are connected persons of the Company.

## EXEMPT CONTINUING CONNECTED TRANSACTIONS

### **Trademarks Licence Agreements**

On 15 June 2015, Rongzhong Capital Holdings Limited (“Rongzhong Capital”), our wholly-owned subsidiary, entered into trademarks licence agreements (the “Trademarks Licence Agreements” and each, a “Trademarks Licence Agreement”) with each of Rongzhong Group and Rongzhong Internet pursuant to which Rongzhong Group and Rongzhong Internet agreed to grant a licence, on a perpetual and nonexclusive basis, to Rongzhong Capital and its affiliates at a consideration of HK\$1.00 and RMB1.00, respectively to use certain trademarks registered in their names as set out in Appendix IV of the Prospectus subject to the terms and conditions therein. During the term of the Trademarks Licence Agreements, Rongzhong Capital and its affiliates are entitled to use the trademarks listed therein as their corporate logos and for conducting any of their publicity related activities. Further, Rongzhong Group and Rongzhong Internet will not transfer or license or grant any rights to use the trademarks listed in the Trademarks Licence Agreements to any third party whose business competes or is likely to compete with the business of Rongzhong Capital or dispose such trademarks unless prior written consent is obtained from Rongzhong Capital. Where Rongzhong Group and Rongzhong Internet obtain registration of any other trademarks containing the words “RONGZHONG”, “RONG ZHONG”, “融眾” or “融众” under their name, Rongzhong Group and Rongzhong Internet will license the use of such other registered trademarks to Rongzhong Capital and its affiliates by entering into a separate licence agreement with Rongzhong Capital on the same terms and conditions as the Trademarks Licence Agreements. The Trademarks Licence Agreements are terminable in the event that the trademarks listed therein have been legally transferred to Rongzhong Capital or upon the winding-up or liquidation of Rongzhong Capital or otherwise agreed by the parties in writing.

## Finance Lease Guarantee Agreements

For all our financial leasing arrangements, in addition to the leased assets, we normally require our customers to provide additional securities to further secure their lease payment obligations under the finance leases, which include, among others, certain assets that we may not be able to register as the pledgee or mortgagee under the current practice of the PRC to take up as security (the “Additional Assets”) as we are a wholly-foreign invested financial leasing entity. In this regard, our subsidiary and main operating entity, Rongzhong International Financial Leasing Co., Ltd. (“Rongzhong PRC”) entered into (i) one finance lease guarantee supplemental agreement with Wuhan Rongzhong on 28 March 2019; and (ii) three finance lease guarantee agreements with Wuhan Jinhong on 13 January 2016, 30 March 2016 and 18 May 2016 respectively, (collectively as the “Finance Lease Guarantee Agreements” and each a “Finance Lease Guarantee Agreement”) pursuant to which Wuhan Rongzhong and Wuhan Jinhong acted as a guarantor in favor of Rongzhong PRC in respect of the lease payment obligations of certain customers of Rongzhong PRC under their respective finance lease agreement entered into with Rongzhong PRC. In return, these customers would pledge their Additional Assets to Wuhan Rongzhong and Wuhan Jinhong as securities to further secure their payment obligations to Wuhan Rongzhong and Wuhan Jinhong under separate agreements entered into with Wuhan Rongzhong and Wuhan Jinhong respectively. The guarantee obligations of Wuhan Rongzhong and Wuhan Jinhong under the Finance Lease Guarantee Agreements shall continue for a period of two years from the date on which the payment obligations of the customers under the relevant finance lease agreements entered into with Rongzhong PRC have been fulfilled. The guarantee fees (if any) payable to Wuhan Rongzhong and Wuhan Jinhong were borne entirely by the customers of Rongzhong PRC.

## The Bank Guarantee Agreements

On 10 December 2019, 25 May 2020 and 21 December 2020, Mr. Xie and Rongzhong Capital Investments had each entered into bank guarantee agreements with certain banks (collectively as the “Bank Guarantee Agreements”) pursuant to which Mr. Xie and Rongzhong Capital Investments agreed to provide certain guarantees in favor of the banks for their grant of loans to Rongzhong PRC. The Bank Guarantee Agreements expire two years upon the settlement of the loans and no guarantee fee is payable by Rongzhong PRC to Mr. Xie and Rongzhong Capital Investments for their provision of guarantee services under the Bank Guarantee Agreements.

On 31 March 2021, Mr. Xie and Rongzhong Capital Investments had confirmed that each of Mr. Xie and Rongzhong Capital Investments had agreed to provide certain guarantees in favor of the banks for their grant of loans to Rongzhong PRC, such guarantees expire two years upon the settlement of the loans and no guarantee fee is payable by Rongzhong PRC to Mr. Xie and Rongzhong Capital Investments for the provision of guarantee services. As at 31 March 2021, Mr. Xie and Rongzhong Capital Investments have provided the following guarantees to banks for their grant of loans to Rongzhong PRC.

Guarantor(s)	As at	As at
	31 March 2021	31 March 2020
	<i>(HK\$' million approximately)</i>	
Mr. Xie	659.8	614.3
Rongzhong Capital Investments	659.8	614.3

The Trademarks License Agreements, the Finance Lease Guarantee Agreements and the Bank Guarantee Agreements are in favorable terms to the Group and all applicable percentage ratios calculated by reference to Rule 14.07 of the Listing Rules are less than 0.10%. Accordingly, the Trademarks Licence Agreements, the Finance Lease Guarantee Agreements and the Bank Guarantee Agreements qualified as continuing connected transactions exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

## **REVIEW OF 2020/21 CONSOLIDATED FINANCIAL STATEMENTS**

The audit committee of the Company has reviewed the consolidated financial statements of the Group for the Reporting Period.

## **SCOPE OF WORK OF BDO LIMITED**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 March 2021 as set out in this preliminary results announcement have been agreed by the Group's auditor, BDO Limited, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by BDO Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by BDO Limited on this preliminary results announcement.

## **CORPORATE GOVERNANCE**

The Group is committed to promote good corporate governance and has set up procedures on corporate governance that comply with the principles in the Corporate Governance Code and the Corporate Governance Report (the "CG Code") as set out in Appendix 14 to the Listing Rules of the Stock Exchange.

During the Reporting Period, the Company had complied with all code provisions in the CG Code and had adopted most of the recommended best practices set out in the CG Code except for the following:

As at the date of this announcement, the Company does not have a Chairman to discharge the duties as required under CG Code A.2.2 to A.2.9. The daily operation and management of the Company are monitored by the executive director as well as the senior management of the Company. The Board is of the view that although there is no Chairman, the balance of power and authority is ensured by the operation of the Board, which comprises experienced individuals who would meet from time to time to discuss issues affecting operation of the Company and the Group. This arrangement can still enable the Company to make and implement decisions promptly, and thus achieve the Company's objectives efficiently and effectively in response to the changing environment. The Company will, at the appropriate time, arrange for the election of the new Chairman.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company has made specific enquiries with all of the Directors, each of whom has confirmed that he has, throughout the Reporting Period, complied with the required standards set out therein.

## **CLOSURE OF REGISTER OF MEMBERS**

For the purposes of determining shareholders’ eligibility to attend and vote at the forthcoming 2021 annual general meeting of the Company (the “2021 AGM”), the register of members of the Company will be closed from Friday, 27 August 2021 to Wednesday, 1 September 2021 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for attending and voting at the 2021 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Investor Services Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong for registration by not later than 4:30 pm on Thursday, 26 August 2021.

## **ANNUAL GENERAL MEETING**

The 2021 AGM of the Company will be held on Wednesday, 1 September 2021 at 2/F, J Plus, 35-45B, Bonham Stand, Sheung Wan, Hong Kong. The notice of the 2021 AGM will be published on the websites of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinarzfh.com](http://www.chinarzfh.com)) and sent to the shareholders of the Company, together with the Company’s 2021 annual report, in due course.

By Order of the Board  
**China Rongzhong Financial Holdings Company Limited**  
**Wong Emilie Hoi Yan**  
*Executive Director*

Hong Kong, 30 June 2021

*As at the date of this announcement, the executive Director of the Company is Ms. Wong Emilie Hoi Yan; the non-executive Directors of the Company are Mr. Chen Shuai, Ms. Wong Jacqueline Yue Yee, Ms. Wong Michelle Yatyee and Mr. Wong Ming Bun David; and the independent non-executive Directors of the Company are Mr. Lie Chi Wing, Mr. Ng Wing Chung Vincent and Mr. Yu Yang.*