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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)**

## **ANNOUNCEMENT FOR THE UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

### **INTERIM RESULTS**

The board (the “**Board**”) of directors (the “**Directors**”) of China Rongzhong Financial Holdings Company Limited (the “**Company**”) hereby announces the unaudited interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 September 2021 (the “**Reporting Period**”) with comparative figures. All amounts set out in this announcement are expressed in Hong Kong dollars (“**HK\$**”) unless otherwise indicated.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2021

	Notes	Six months ended 30 September	
		2021 HK\$'000 (Unaudited)	2020 HK\$'000 (Unaudited)
Revenue	3	7,582	10,364
Other income		28	319
Cost of services		(58)	–
Other gains and losses		(28)	(368)
Staff costs		(4,839)	(2,997)
Reversal of impairment losses on financial assets		18,259	29,997
Other operating expenses		(5,216)	(3,319)
Finance costs	4	(15,709)	(15,160)
Profit before income tax	5	19	18,836
Income tax expense	6	(16)	–
Profit for the period		3	18,836
<b>Other comprehensive (expense)/income</b>			
<i>Item that may be reclassified to profit or loss:</i>			
Exchange differences arising on translation to presentation currency		(4)	773
Total comprehensive (expense)/income for the period		(1)	19,609
(Loss)/profit for the period attributable to:			
Owners of the Company		(355)	18,836
Non-controlling interests		358	–
		3	18,836
Total comprehensive (expense)/income attributable to:			
Owners of the Company		(357)	19,609
Non-controlling interests		356	–
		(1)	19,609
(Loss)/earnings per share			
Basic and diluted (HK cents)	8	(0.09)	4.57

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

		30 September 2021 <i>HK\$'000</i> (Unaudited)	31 March 2021 <i>HK\$'000</i> (Audited)
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		5,323	40
Lease receivables and receivables arising from sale and leaseback arrangements	9	96,703	94,117
Deposits		411	–
Security deposits		–	1,190
Goodwill		21,193	–
		<u>123,630</u>	<u>95,347</u>
<b>Current assets</b>			
Lease receivables and receivables arising from sale and leaseback arrangements	9	742,580	723,552
Loan receivable		5,563	5,563
Trade receivables	10	6,618	–
Prepayments and other receivables		9,502	8,501
Security deposits		1,190	1,697
Short term bank deposits with original maturity within three months		1,005	6,636
Bank balances and cash		8,907	5,671
		<u>775,365</u>	<u>751,620</u>
<b>Current liabilities</b>			
Trade payables		37	–
Deposits from customers		214,822	214,813
Other payables and accrued charges		21,147	17,707
Contract liabilities		4,178	–
Deferred income		–	9
Lease liabilities		2,156	482
Tax liabilities		64,966	64,133
Bank borrowings		547,435	443,688
Promissory note	11	6,223	–
Derivative financial liability	13	8,194	–
		<u>869,158</u>	<u>740,832</u>
<b>Net current (liabilities)/assets</b>		<u>(93,793)</u>	<u>10,788</u>
<b>Total assets less current liabilities</b>		<u>29,837</u>	<u>106,135</u>

		<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
<b>Non-current liabilities</b>			
Deposits from customers		28	–
Lease liabilities		2,569	–
Bank borrowings		130,087	216,125
Contingent consideration payables	12	9,572	–
		<u>142,256</u>	<u>216,125</u>
<b>Net liabilities</b>		<u>(112,419)</u>	<u>(109,990)</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		4,125	4,125
Reserves		(116,933)	(114,115)
		<u>(112,808)</u>	<u>(109,990)</u>
<b>Non-controlling interests</b>		389	–
<b>Capital deficiency</b>		<u>(112,419)</u>	<u>(109,990)</u>

## NOTES

For the six months ended 30 September 2021

### 1. BASIS OF PREPARATION AND GOING CONCERN ASSUMPTION

The interim condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

The interim condensed consolidated financial statements do not include all of the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2021.

#### Going Concern

The Group recorded a net current liabilities of HK\$93,793,000 and capital deficiency of HK\$112,419,000 as at 30 September 2021. The worsened general economic environment caused by the outbreak of the COVID-19 pandemic has 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 People’s Republic of China (the “PRC”). As at 30 September 2021, the Group had lease receivables and receivables arising from sale and leaseback arrangements with a gross carrying amount of HK\$1,873,502,000 that were all past due and an aggregate impairment loss of HK\$1,034,219,000 was provided for these receivables (Note 9). At the same date, the Group had bank borrowings of HK\$547,435,000 that were repayable within 12 months after the end of the reporting period while the cash and cash equivalents maintained was HK\$9,912,000 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.

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.

During the six months ended 30 September 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 30 September 2021, the relevant lease receivables and receivables arising from sale and leaseback arrangements were approximately HK\$309,844,000 while the relevant bank borrowings were approximately HK\$516,766,000. 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 30 September 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\$206,922,000.

**(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 and obtaining new loan facilities**

During the six months ended 30 September 2021, the Group had successfully renewed its bank borrowings with principal amounts of approximately HK\$232,347,000 for at least 13 months.

As at 30 September 2021, the Group has been negotiating the renewal of its bank borrowings with principal amounts of approximately HK\$30,182,000 and HK\$146,656,000 that were repayable in July 2021 and within 3 months after the reporting date respectively. As at the date of this announcement, the aforesaid loan renewal together with assignment of loans is under approval process. For further details, please refer to the Company's announcement dated 28 June 2021.

Subsequent to the six months ended 30 September 2021, the Group entered into a term loan facility agreement with Goldbond Group Holdings Limited ("**Goldbond Group**"), the shareholder of the Company, pursuant to which Goldbond Group agreed to make available to the Company an unsecured loan facility of HK\$50,000,000 that were repayable in the third anniversary of the first drawdown date.

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 interim condensed 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 interim condensed consolidated financial statements.

**2. PRINCIPAL ACCOUNTING POLICIES**

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 March 2021 except for the adoption of the standards, amendments and interpretations issued by the HKICPA effective for the Group's annual periods beginning on or after 1 April 2021. The new or amended Hong Kong Financial Reporting Standards that are effective from 1 April 2021 did not have any material impact on the Group's accounting policies.

**3. REVENUE AND SEGMENT INFORMATION**

The directors of the Company determined the reportable segments of the Group as follows:

- (1) Leasing services-financial leasing – providing leasing services including finance lease and sale and leaseback services in the PRC
- (2) Leasing services-operating lease – providing operating lease services in the PRC
- (3) Debt collection and credit investigation services – providing debt collection services and credit investigation services in Hong Kong, the PRC and Singapore

During the six months ended 30 September 2021, debt collection and credit investigation services became a reportable segment as a result of the completion of the acquisition of Alpha & Leader Risks and Assets Management Company Limited ("**Alpha & Leader**"). Therefore, a new segment of debt collection and credit investigation services has been identified in the current period.

In addition, during the period, the Group has commenced operating lease business, which has been identified as a reportable segment as the directors of the Company believe that information about the segment would be useful to users of the financial statements.

## Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable segments for the period under review:

### For the six months ended 30 September 2021 (Unaudited)

	Leasing services- financial leasing <i>HK\$'000</i>	Leasing services- operating lease <i>HK\$'000</i>	Debt collection and credit investigation services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue				
Revenue from external customers	4,093	3	3,486	7,582
Segment results	4,825	(15)	747	5,557
Unallocated:				
Other income				2
Other gains and losses				(28)
Staff costs				(1,963)
Other operating expenses				(3,549)
Profit before income tax				<u>19</u>

### For the six months ended 30 September 2020 (Unaudited)

	Leasing services- financial leasing <i>HK\$'000</i>	Total <i>HK\$'000</i>
Segment revenue		
Revenue from external customers	10,364	10,364
Segment results	23,291	23,291
Unallocated:		
Other income		290
Other gains and losses		(367)
Staff costs		(1,963)
Other operating expenses		(2,415)
Profit before income tax		<u>18,836</u>

## Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segments:

	At 30 September 2021 <i>HK\$'000</i> (Unaudited)	At 31 March 2021 <i>HK\$'000</i> (Audited)
Segment assets		
Leasing services-financial leasing	850,275	833,335
Leasing services-operating lease	1,341	–
Debt collection and credit investigation services	39,739	–
	<hr/>	<hr/>
Total segment assets	891,355	833,335
Unallocated		
– Unallocated assets	7,640	13,632
	<hr/>	<hr/>
Total assets	<b>898,995</b>	<b>846,967</b>
	<hr/> <hr/>	<hr/> <hr/>
Segment liabilities		
Leasing services-financial leasing	968,427	955,121
Leasing services-operating lease	154	–
Debt collection and credit investigation services	17,751	–
	<hr/>	<hr/>
Total segment liabilities	986,332	955,121
Unallocated		
– Unallocated liabilities	25,082	1,836
	<hr/>	<hr/>
Total liabilities	<b>1,011,414</b>	<b>956,957</b>
	<hr/> <hr/>	<hr/> <hr/>



Set out below is the disaggregation of the Group's revenue from major products and services:

	<b>Six months ended 30 September</b>	
	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	<b>2020</b> <i>HK\$'000</i> <b>(Unaudited)</b>
Income from debt collection services	1,435	–
Income from credit investigation services	2,051	–
Revenue from contract with customers	3,486	–
Rental income	3	–
Interest income arising from sale and leaseback arrangements	4,093	10,078
Finance lease income	–	286
	<u>7,582</u>	<u>10,364</u>
<b>Revenue from contract with customers</b>		
At a point in time	3,457	–
Transferred over time	29	–
	<u>3,486</u>	<u>–</u>

#### 4. FINANCE COSTS

	<b>Six months ended 30 September</b>	
	<b>2021</b> <i>HK\$'000</i> <b>(Unaudited)</b>	<b>2020</b> <i>HK\$'000</i> <b>(Unaudited)</b>
Interest on borrowings	15,638	15,109
Imputed interest on interest-free deposits from customers	9	9
Imputed interest on promissory note	32	–
Interest on lease liabilities	30	42
	<u>15,709</u>	<u>15,160</u>

## 5. PROFIT BEFORE INCOME TAX

Profit before income tax has been arrived at after charging:

	Six months ended 30 September	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Directors' remuneration	1,166	1,166
Other staff costs		
– Salaries, allowances and other staff benefits	3,524	1,804
– Staff's retirement benefit scheme contributions	149	27
	<hr/>	<hr/>
Total staff costs	4,839	2,997
	<hr/>	<hr/>
Depreciation of property, plant and equipment	279	83
Short-term lease expenses	4	44
Impairment losses on property, plant and equipment	–	42
	<hr/>	<hr/>

## 6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2021 <i>HK\$'000</i> (Unaudited)	2020 <i>HK\$'000</i> (Unaudited)
Current tax		
Enterprise Income Tax (“EIT”) in the PRC		
– Provision for the current period	16	–
	<hr/> <hr/>	<hr/> <hr/>

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

No provision for Singapore Corporate Tax has been made in the interim condensed consolidated financial statements as the Group's operation in Singapore had no assessable profits during the six months ended 30 September 2021.

Under the Enterprise Income Tax Law of the PRC (the “EIT Law”) and the Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries was 25% during both periods, except for the subsidiaries operating in the PRC which are qualified small and thin-profit enterprises and entitled to a reduced EIT rate of 2.5% for the six months ended 30 September 2021 (six months ended 30 September 2020: nil).

## 7. DIVIDEND

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the six months ended 30 September 2021, nor has any dividend been proposed since the end of the Reporting Period (six months ended 30 September 2020: nil).

## 8. (LOSS)/EARNINGS PER SHARE

	<b>Six months ended 30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
(Loss)/earnings:		
(Loss)/earnings for the period attributable to owners of the Company for the purpose of basic and diluted (loss)/earnings per share (HK\$'000)	<u><b>(355)</b></u>	<u><b>18,836</b></u>
Number of shares:		
Weighted average number of ordinary shares in issue for the purpose of basic and diluted (loss)/earnings per share (in thousands)	<u><b>412,509</b></u>	<u><b>412,509</b></u>

The basic and diluted (loss)/earnings per share is calculated based on the (loss)/earnings attributable to owners of the Company and the weighted average number of ordinary shares in issue for the six months ended 30 September 2021 and 2020.

The calculation of diluted (loss)/earnings per share for the six months ended 30 September 2021 and 2020 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.

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

The Group provides financial leasing services in the PRC.

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Lease receivables	18,269	18,269
Receivables arising from sale and leaseback arrangements	<u>821,014</u>	<u>799,400</u>
	<b><u>839,283</u></b>	<b><u>817,669</u></b>
	<b>Minimum lease payments</b>	
	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Lease receivables and receivables arising from sale and leaseback arrangements comprise:		
Within one year	1,782,237	1,783,211
In more than one year but not more than two years	23,955	23,955
In more than two years but not more than three years	23,022	23,022
In more than three years but not more than four years	22,088	22,088
In more than four years but not more than five years	38,242	19,964
More than five years	<u>357</u>	<u>18,635</u>
	<b>1,889,901</b>	1,890,875
Less: Unearned finance income	<u>(16,399)</u>	<u>(20,728)</u>
	<b>1,873,502</b>	1,870,147
Less: Impairment allowance	<u>(1,034,219)</u>	<u>(1,052,478)</u>
	<b><u>839,283</u></b>	<b><u>817,669</u></b>
Analysed for reporting purposes as:		
Current assets	742,580	723,552
Non-current assets	<u>96,703</u>	<u>94,117</u>
	<b><u>839,283</u></b>	<b><u>817,669</u></b>

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 is 8.3% to 15.4% per annum as at 30 September 2021 and 31 March 2021.

## 10. TRADE RECEIVABLES

The following is an ageing analysis of trade receivables, presented based on the invoice date at the end of the reporting period.

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
0 to 30 days	4,583	–
31 to 60 days	971	–
61 to 90 days	422	–
Over 90 days	642	–
	<u>6,618</u>	<u>–</u>

The credit terms of the trade receivables are ranged from 0 to 60 days from the date of billing.

The Group normally grants credit terms to its customers according to industry practice together with consideration of their creditability and repayment history. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are regularly reviewed by senior management.

## 11. PROMISSORY NOTE

	<i>HK\$'000</i>
At 31 March 2021 (Audited)	–
Fair value of promissory note issued at the inception date	6,191
Imputed interest	<u>32</u>
At 30 September 2021 (Unaudited)	<u><u>6,223</u></u>

On 25 August 2021, the Company issued promissory note with a principal amount of HK\$6,318,000 to Silver Creation Investments Limited (“**Silver Creation**”), a shareholder of the Company, as compensation for Silver Creation to settle part of the consideration on behalf of the Company for the acquisition of Alpha & Leader (note 14). The promissory note was discounted by applying the Group’s effective interest rate of 5.98% per annum into its fair value at inception date amounting to approximately HK\$6,191,000. The promissory note was unsecured, interest-free on its principal sum and will be matured on 31 December 2021.

## 12. CONTINGENT CONSIDERATION PAYABLES

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Promissory notes to be issued ( <i>note (a)</i> )	<b>6,407</b>	—
Cash consideration payable ( <i>note (b)</i> )	<b>3,165</b>	—
	<b>9,572</b>	—

### Notes:

- (a) The amount represented the fair value of three tranches of promissory notes to be issued to Solomon Glory Limited (“**Solomon Glory**”), a wholly owned subsidiary of a shareholder of the Company, as compensation for Solomon Glory to transfer certain existing shares of the Company held by it in the maximum amount of 38,503,380 shares to the Vendors (as defined in the Company’s circular date 30 June 2021) for the acquisition of 51% equity interest in Alpha & Leader (note 14).

The promissory notes to be issued will be unsecured and not interest bearing. The promissory notes to be issued are expected to be settled in April 2023, April 2024 and April 2025, being 13 months from the respective issue dates in settlement of the relevant transfer of existing shares of the Company by tranches by Solomon Glory to the Vendors.

- (b) Cash consideration in the maximum amount of HK\$3,831,256 will be settled by the Company in March 2024 in respect of the acquisition of 51% equity interest in Alpha & Leader (note 14).

The promissory notes to be issued and cash consideration payable are subject to the consideration adjustment with reference to the financial performance of Alpha & Leader and its subsidiaries for the year ending 31 December 2021, 2022 and 2023 and hence constitute a contingent consideration arrangement. Details are set out in the Company’s circular dated 30 June 2021.

The contingent consideration payables were stated at fair value based on the valuation performed by an independent firm of professional valuer.

### 13. DERIVATIVE FINANCIAL LIABILITY

	<b>30 September 2021 HK\$'000 (Unaudited)</b>	31 March 2021 HK\$'000 (Audited)
Derivative financial liability	<b>8,194</b>	—

On 25 August 2021, the Company entered into a lock-up agreement with the Vendors, Goldbond Group, Silver Creation and Solomon Glory in respect of the acquisition of 51% equity interest in Alpha & Leader (note 14). Pursuant to the lock-up agreement, the restricted period with respect to disposal of the First Tranche Transfer Shares (as defined in the Company's circular dated 30 June 2021) by the Vendors shall be 18 months immediately following the date of shares transfer from Silver Creation. In respect of the First Tranche Transfer Shares only, after 6 months following the date of transfer of the First Tranche Transfer Shares, the Vendors could, by notice in writing sent to the Company, notify the Company of their intention to dispose of all or part of the First Tranche Transfer Shares in the open market through the Stock Exchange during the aforesaid 18-month restricted period but the Vendors shall sell the First Tranche Transfer Shares to independent third parties in the open market through the Stock Exchange at the prevailing market price. In the event that the relevant First Tranche Transfer Shares were disposed of in the open market through the Stock Exchange at a price of less than HK\$0.4 per share, the shortfall amount (being the difference between HK\$0.4 and the average trading price of the relevant First Tranche Transfer Shares being sold in the open market) shall be compensated by the Company to the Vendors in cash.

The derivative financial liability was stated at fair value based on the valuation performed by an independent firm of professional valuer.

### 14. BUSINESS ACQUISITION

On 25 August 2021, the Group completed an acquisition of 51% equity interest in Alpha & Leader. Alpha & Leader and its subsidiaries (collectively as "**Alpha & Leader Group**") is principally engaged in provision of debt collection services and credit investigation services in Hong Kong, the PRC and Singapore. The acquisition consideration was/will be satisfied in the following order by: (1) the transfer of existing shares of the Company held by the Company's shareholders namely (i) Silver Creation in the amount of 31,911,908 shares ("**First Tranche Transfer Shares**"); (ii) Solomon Glory in the amount of 38,503,380 shares; and (2) cash in the amount of HK\$3,831,256, to the Vendors at the agreed proportion by tranches. The consideration shares transferred by Solomon Glory and the cash consideration are subject to the adjustment mentioned in note (b) below. The directors believe that the acquisition would enable the Group to augment the development of the Group's leasing business.

The fair value of identifiable assets and liabilities assumed of Alpha & Leader Group as at the acquisition date were as follows:

	<b>HK\$'000</b> <b>(Unaudited)</b>
Property, plant and equipment	5,260
Trade receivables	7,261
Prepayments, deposits and other receivables	876
Bank balances and cash	5,243
Trade payables	(62)
Accruals and other payables	(1,748)
Contract liabilities	(4,571)
Lease liabilities	(4,682)
Tax liabilities	(817)
Bank borrowings	(5,000)
Amounts due to directors of the Company's subsidiary	(1,693)
	<hr/>
Total identifiable net assets acquired	67
Less:	
Non-controlling interests	(33)
	<hr/>
	34
	<hr/>
Goodwill	21,193
	<hr/>
Total consideration	21,227
	<hr/> <hr/>
	<b>HK\$'000</b> <b>(Unaudited)</b>
Satisfied by:	
Consideration shares ( <i>note (a)</i> )	9,851
Cash consideration payable ( <i>note 12 note (b)</i> )	3,165
Derivative financial liability ( <i>note 13</i> )	8,211
	<hr/>
Total consideration	21,227
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*Notes:*

- (a) The fair value of the consideration shares was determined by reference to the closing market price of HK\$0.14 per share at the acquisition completion date.
- (b) The consideration shares and cash consideration payable are subject to the adjustments as mentioned in the Company's circular dated 30 June 2021.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS OVERVIEW**

The Group is principally engaged in (1) the provision of leasing services including financial leasing services and operating lease services in the PRC and (2) the provision of debt collection services and due diligence and credit investigation services in Hong Kong, the PRC and Singapore.

#### **Leasing services – financial leasing**

The Group conducts financial leasing services including sales and leaseback and direct financial leasing mainly in Hubei Province in the PRC through its wholly owned subsidiary Rongzhong International Financial Leasing Co., Ltd.

#### **Leasing services – operating lease**

The Group had established Wenzhou Jinzhonghui Automobile Leasing Services Co., Ltd (“**Wenzhou Jinzhonghui**”) for the provision of automobile operating lease services in Wenzhou of the PRC. Wenzhou Jinzhonghui is a directly wholly-owned subsidiary of Shenzhen Jinzhonghui Consultancy Holdings Co., Ltd., which in turn is a wholly-owned subsidiary of the Company. The Group as the lessor generates lease income through rental of automobiles and delivers the vehicles to its lessees who make periodic lease payments to the Group.

For further details, please refer to the Company’s announcement dated 30 September 2021.

#### **Debt collection and credit investigation services**

The Group conducts its debt collection services, due diligence and credit investigation services in Hong Kong, the PRC and Singapore through Alpha & Leader Group. Debt collection services are provided to clients with past due commercial accounts receivables ranging from 3 – 12 months, and this is a non-litigation service that enables creditors to recover their past due accounts receivables through mediation and dispute resolution, rather than going through the lengthy process of litigation resulting in further commitments on legal costs and risk of non-recoverable debts. Credit investigation services are performed through established networks, databases and credit assessment system using big data analytics which in-turn generate and provide credit reports, credit scoring results and recommendations to clients prior to the entering into potential business transactions.

## **FINANCIAL REVIEW**

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

### **Revenue**

The Group realised revenue for the Reporting Period of approximately HK\$7.6 million, representing a decrease of approximately HK\$2.8 million as compared to the previous corresponding period ended 30 September 2020. This was mainly due to the worsening of general economic environment caused by the outbreak of the COVID-19 pandemic. Hence, the Group has strategised to diversify its sources of income generated from leasing services outside of Hubei Province and to diversify the associated business risks in order to safeguard the Group's assets.

### **Leasing services – financial leasing**

The Group's revenue derived from the provision of financial leasing services in Hubei Province 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. During the Reporting Period, the Group recorded revenue of approximately HK\$4.1 million from the provision of financial leasing services, representing a decrease of approximately 60.5% from approximately HK\$10.4 million as recorded in the previous corresponding period ended 30 September 2020. This was mainly due to the worsening of general economic environment caused by the outbreak of the COVID-19 pandemic. Hence, the Group has strategised to diversify its sources of income generated from leasing services outside of Hubei Province and to diversify the associated business risks in order to safeguard the Group's assets.

### **Leasing services – operating lease**

During the Reporting Period, the Group recorded revenue of approximately HK\$3,000 from the provision of automobile operating lease services in Wenzhou. The Group as the lessor generates lease income through the rental of automobiles and deliver the vehicles to its lessee who makes periodic lease payments to the Group. Lease contracts are generally priced at a market rate. As mentioned in the section headed "BUSINESS OVERVIEW", the Group had established Wenzhou Jinzhonghui for the provision of automobile operating lease services in Wenzhou of the PRC.

### **Debt collection services**

During the Reporting Period, the Group recorded revenue of approximately HK\$1.4 million from the provision of debt collection services. Debt collection services are provided to clients with past due commercial accounts receivables. Substantially all revenue derived from the provision of debt collection services are recognized upon successful recovery of past due receivables. Service fees are usually charged based on the quality of the receivables and the period of time such receivables have been past due.

### **Due diligence and credit investigation services**

During the Reporting Period, the Group recorded revenue of approximately HK\$2.1 million from the provision of due diligence and credit investigation services. The Group provides due diligence and credit investigation services to its clients and service fees are charged based on the agreed upon scope covering the number of search targets, search period and the complexity of obtaining the relevant information.

### **Staff costs**

Staff costs of the Group amounted to approximately HK\$4.8 million for the Reporting Period, representing an increase of approximately 61.5% from approximately HK\$3.0 million recorded in the previous corresponding period ended 30 September 2020. This was mainly due to the increase in the number of staff resulting from the commencement of the debt collection services, due diligence and credit investigation services in Hong Kong, the PRC and Singapore during the Reporting Period.

### **Other operating expenses**

During the Reporting Period, other operating expenses of the Group amounted to approximately HK\$5.2 million, representing an increase of approximately 57.2% from approximately HK\$3.3 million recorded in the previous corresponding period ended 30 September 2020. The increase was mainly attributable to the increase in legal and professional fee.

### **Reversal of impairment losses on financial assets**

Reversal of impairment losses on financial assets is approximately HK\$18.3 million for the Reporting Period. This was mainly due to changes in recoverability of certain past due lease receivables and receivables arising from sale and leaseback arrangements. In the previous corresponding period ended 30 September 2020, the reversal of impairment losses on financial assets amounted to approximately HK\$30.0 million.

### **Other income**

Other income of the Group mainly comprised of bank interest income and government grants. During the Reporting Period, the other income of the Group amounted to approximately HK\$28,000, representing a decrease of approximately 91.2% from approximately HK\$319,000 recorded in the previous corresponding period ended 30 September 2020. Such a decrease was due to the decrease in government subsidies.

## **Finance costs**

Finance costs of the Group comprised of interest on borrowings, interest on lease liabilities, imputed interest on interest-free deposits from customers and imputed interest on promissory note. During the Reporting Period, finance costs of the Group amounted to approximately HK\$15.7 million, representing an increase of approximately 3.6% from approximately HK\$15.2 million in the previous corresponding period ended 30 September 2020. This was mainly due to the increase in the principal amount of bank borrowings.

As at 30 September 2021, the outstanding bank borrowings guaranteed by related parties amounted to approximately HK\$672.6 million (30 September 2020: approximately HK\$634.3 million) and the guarantee fee paid to the related parties during the Reporting Period amounted to nil (30 September 2020: nil).

## **Profit for the period**

Profit for the period of the Company amounted to approximately HK\$3,000 for the Reporting Period. This was mainly due to the reversal of impairment losses on financial assets. In the previous corresponding period ended 30 September 2020, profit for the period amounted to approximately HK\$18.8 million.

## **Interim dividend**

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2021 (six months ended 30 September 2020: nil).

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

As at 30 September 2021, the aggregate sum of the Group's bank balances and cash, short-term bank deposits amounted to approximately HK\$9.9 million (31 March 2021: approximately HK\$12.3 million), representing a decrease of approximately HK\$2.4 million compared to 31 March 2021. 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 Group's current liabilities included promissory note of approximately HK\$6.2 million (31 March 2021: nil). The Group recorded net current liabilities of approximately HK\$93.8 million as at 30 September 2021 (31 March 2021: net current assets approximately HK\$10.8 million). The capital deficiency of the Group was approximately HK\$112.4 million (31 March 2021: approximately HK\$110.0 million).

As at 30 September 2021, the Group's bank borrowings with maturity within one year amounted to approximately HK\$547.4 million (31 March 2021: approximately HK\$443.7 million) and the Group's bank borrowings with maturity that exceeded one year amounted to approximately HK\$130.1 million (31 March 2021: approximately HK\$216.1 million).

Our gearing ratio (total bank borrowings/total equity) as at 30 September 2021 was not applicable (31 March 2021: not applicable).

## **Loan receivable**

Loan receivable represents an unsecured loan to a third party with principal amount of HK\$10.0 million (31 March 2021: HK\$10.0 million) carrying interest at 10% per annum. The loan receivable was past due as at 30 September 2021 and the impairment loss allowance is approximately HK\$5.3 million (31 March 2021: approximately HK\$5.3 million).

## **Charges on group assets**

As at 30 September 2021, the Group's bank borrowings with carrying amount of approximately HK\$647.7 million (31 March 2021: approximately HK\$634.9 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\$387.8 million (31 March 2021: approximately HK\$368.2 million).

As at 30 September 2021, the Group's bank borrowings with carrying amount of approximately HK\$24.9 million (31 March 2021: approximately HK\$24.9 million) were secured by bank deposits of approximately HK\$1.2 million (31 March 2021: approximately HK\$1.2 million).

## **Capital commitments**

As at 30 September 2021, the Group had no capital commitments (31 March 2021: nil).

## **Employees and remuneration policy**

As at 30 September 2021, the Group had 136 staff located in Hong Kong, the PRC and Singapore, 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 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. There were no forfeited contributions utilised to offset employers' contributions for the Reporting Period.

Singapore employees are covered by the mandatory social security savings scheme funded by contributions from employers and employees, the Central Provident Fund. The Group and its employees are each required to contribute a certain percentage of payroll costs to fund the mandatory social security savings schemes. There were no forfeited contributions utilized to offset employers' contributions for the Reporting Period.

## **RISK FACTORS AND MANAGEMENT**

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

The Group’s credit risk is primarily attributable to lease receivables and receivables arising from sale and leaseback arrangements, loan receivable, short-term bank deposits, security deposits, trade and other receivables and bank balances and cash. Our Group reviews individual outstanding amount regularly depending on individual circumstance and market condition.

Our financial leasing 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 the asset quality or collectability of the lease receivables and receivables arising from sale and leaseback arrangements could adversely affect our business, prospects and financial conditions. Due to the continue worsening of general economic environment caused by the outbreak of the COVID-19 pandemic, 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 comparing to larger corporations, and as such, they are more likely to be adversely affected by changes in market conditions, which poses 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 Group’s business operation primarily relates to the interest-bearing bank borrowings and bank balances. 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 rates and in turn charge to our clients by the same amount in order to minimize our risk of exposure to such interest rate risks.

### **Foreign exchange risk**

Our Group is exposed to foreign currency risk primarily with respect to Renminbi (“**RMB**”) and United States Dollars denominated transactions, 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 the shares of the Company 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.

### **Liquidity risk**

The Group is exposed to liquidity risk in respect of settlement of trade payables, accruals and other payables and bank borrowings and its financing obligations, and also in respect of its cash flow management. The Group’s policy is to regularly monitor its liquidity requirements to ensure the Group maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.



## CONTINGENT LIABILITIES

As at 30 September 2021, the Group did not have any material contingent liabilities (31 March 2021: nil).

## EVENTS AFTER THE PERIOD UNDER REVIEW

### Financial assistance from a connected person

On 21 October 2021, the Company as the borrower and Goldbond Group Holdings Limited, the controlling shareholder of the Company, as lender (the “**Lender**”), entered into the loan agreement, pursuant to which the Lender agreed to make available to the Company an unsecured loan facility of HK\$50,000,000 at 6% per annum and repayable in the third anniversary of the first drawdown date.

For details, please refer to the Company’s announcement dated 21 October 2021.

### Agreement in relation to the acquisition of 51% equity interest in Ultimate Harvest Global Limited

On 26 October 2021, the Company (as the “**Purchaser**”) and Goldbond Group Holdings Limited as vendor (the “**Vendor**”), the controlling shareholder of the Company, entered into the agreement for sale and purchase, pursuant to which the Company conditionally agreed to acquire, and the Vendor conditionally agreed to sell, 51% of the issued share capital of Ultimate Harvest Global Limited, at the consideration of HK\$17,000,000, which will be satisfied by the issuance of convertible bonds and loan note.

For details, please refer to the Company’s announcement dated 26 October 2021.

### Latest status of the Group

During the six months ended 30 September 2021, the Group had successfully renewed its bank borrowings with principal amounts of approximately HK\$232,347,000 in the aggregate for not less than 13 months. As at 30 September 2021, the Group has been negotiating the renewal of its bank borrowings with principal amounts of approximately HK\$30,182,000 and HK\$146,656,000 that were repayable in July 2021 and within 3 months after the reporting date respectively.

In addition, 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 letter of undertaking, the Related Party agreed to take up (by way of assignments): (i) certain lease receivables and receivables arising from sale and leaseback arrangements; and (ii) certain bank borrowings of the Group. The aforesaid bank borrowings renewal together with assignments of bank borrowings is under approval process of the relevant bank. For further details, please refer to the Company’s announcement dated 28 June 2021.

During the six months ended 30 September 2021, the Group completed an acquisition of 51% equity interest in Alpha & Leader Group. Alpha & Leader Group is principally engaged in provision of debt collection services and credit investigation services in Hong Kong, the PRC and Singapore. The Board is confident that the acquisition would enable the Group to augment the development of the Group's leasing business.

The Group has been actively reviewing and processing loan applications for its leasing business and has commenced operating leasing services in Wenzhou of the PRC. For further details, please refer to the Company's announcement dated 30 September 2021. The Board has also been actively looking for acquisition targets which may create synergy to the Group and provide sustainable sources of revenue to the Group. On 26 October 2021, the Company as Purchaser entered into an agreement to acquire 51% of the issued share capital of Ultimate Harvest Global Limited. For details, please refer to the section headed "EVENTS AFTER THE PERIOD UNDER REVIEW".

In addition, the Company and Goldbond Group Holdings Limited, the controlling shareholder of the Company, as the Lender, entered into a loan agreement, pursuant to which the Lender agreed to make available to the Company an unsecured loan facility of HK\$50,000,000 at 6% per annum and repayable in the third anniversary of the first drawdown date. For details, please refer to the Company's announcement dated 21 October 2021.

Save as disclosed above, there is no other change to the Group's business plan regarding its leasing business and the Board firmly believes that the Group's business will turn around as and when the general economic environment in the PRC and the global COVID-19 pandemic gradually improve. The Group will continue to manage, develop and execute various strategies to recover its overdue receivables and take various actions including lawsuits, debt restructuring and other methods to effectively improve the liquidity position of the Group.

## **BUSINESS REVIEW AND PROSPECTS**

The first half of the financial year 2021/2022 continued to be extremely difficult and challenging for the Group. In recent years, the Group has been adversely affected by various factors including the global political tensions and the continuous worsening of economic environment caused by the outbreak of the COVID-19 pandemic. Since establishment, the Group has been operating its financial leasing business primarily in Hubei Province of the PRC, the Group was forced to suspend its operation in Wuhan for months while Wuhan and Hubei Province was in months of lock down due to the COVID-19 pandemic. In addition, the Group has experienced diminishing revenue and operations against the on-going pandemic. Nevertheless, the Group is making its best effort to restore its operations and remains committed to diversify its income sources and business risks outside of Hubei Province.

Looking forward, while the duration of the COVID-19 pandemic remains uncertain and the global political tensions had seriously affected global economy causing domestic economy to remain under pressure. The Group remains committed in diversifying its income sources and business risks outside of Hubei Province and strives to grow its leasing businesses as well as to develop other new businesses in the PRC and the Asia Pacific region as new sources of income to diversify its business risks. The establishment of Wenzhou Jinzhonghui, is a strategic step for the Group to diversify its sources of income generated from leasing business outside of Hubei Province. The Board considers that diversification of business risks is a key in enhancing the operations of the Group, leveraging on the Group's existing operations and to further enhance synergy across multiple platforms, the Board is actively seeking potential opportunities which would create synergy to the Group and provide sustainable sources of income for the Group. On 26 October 2021, the Company as Purchaser entered into an agreement to acquire 51% of the issued share capital of Ultimate Harvest Global Limited. For details, please refer to the section headed "EVENTS AFTER THE PERIOD UNDER REVIEW".



## 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 (the “**CG Code**”) as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”). During the Reporting Period, except as disclosed in this announcement, 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 the 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. Also, CG Code E.1.2 stipulates that the Chairman should attend the annual general meeting. As the position of the Chairman was vacant as at the date of the annual general meeting held on 1 September 2021, Ms. Wong Emilie Hoi Yan, the executive Director and chief executive officer of the Company, was appointed as the chairman of the annual general meeting to answer and address questions raised by the shareholders at the annual general meeting. The Company will, at the appropriate time, arrange for the election of a Chairman.

## BOARD DIVERSITY POLICY

On 18 December 2015, the Company adopted the board diversity policy (the “**Board Diversity Policy**”) which sets out the approach to achieve diversity on the Board in order to enhance the quality of its performance. On 2 May 2019, the Company has adopted a series of terms of reference for the Board committees in compliance with the regulations contained in the Companies Law of the Cayman Islands, the Listing Rules and the Memorandum and Articles of Association of the Company (the “**Articles**”). The Company recognizes and embraces the benefits of having a diversified Board and sees increasing diversity at the Board level as an essential element in maintaining the Company’s competitive advantage. Pursuant to the Board Diversity Policy, the Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company’s corporate strategy and to ensure that the Board maintains a balanced diverse profile. In reviewing and assessing the Board composition, its diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and education background, professional qualifications, skills, knowledge, industry and regional experience. The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company’s business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The Board may adopt and/or amend from time to time as applicable such perspectives that are appropriate to the Company’s business and the Board succession planning as applicable.

## **AUDIT COMMITTEE**

The Audit Committee was established by the Board on 18 December 2015. On 2 May 2019, the Company has adopted a terms of reference of the Audit Committee in compliance with the regulations contained in the Companies Law of the Cayman Islands, the Listing Rules and the Articles. The primary duties of the Audit Committee included but are not limited to reviewing the Group's financial information, overseeing the Group's financial reporting system and internal control procedures, risk management system and maintaining relationship with the Group's external auditor and providing recommendations to the Board. As at the date of this announcement, the Audit Committee consists of two non-executive Directors: Mr. Chen Shuai and Mr. Wong Ming Bun David, and three independent non-executive Directors: Mr. Lie Chi Wing, Mr. Ng Wing Chung Vincent and Mr. Yu Yang. The chairman of the Audit Committee is Mr. Yu Yang.

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 September 2021 have been reviewed by the Audit Committee before they are duly approved by the Board under the recommendation of the Audit Committee.

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

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers 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/she has, throughout the Reporting Period, complied with the required standards set out therein.

## **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 period ended 30 September 2021.

## **PUBLICATION OF INFORMATION**

This announcement is published on the websites of the Company ([www.chinarzfh.com](http://www.chinarzfh.com)) and Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)). The unaudited interim report of the Company for the six months ended 30 September 2021 will be dispatched to shareholders of the Company and available on the above websites in due course.

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

Hong Kong, 26 November 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.*