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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)

DISCLOSEABLE TRANSACTION
ENTRUSTED FINANCE LEASE ARRANGEMENT

THE ENTRUSTED LEASE AGREEMENT

The Board is pleased to announce that, on 15 July 2022, Wenzhou Jinzhonghui (a wholly owned subsidiary of the Company) entered into the Entrusted Lease Agreement with Shanghai Huanyu pursuant to which Wenzhou Jinzhonghui entrusted Shanghai Huanyu to enter into the Finance Lease Agreement with the Lessee.

THE FINANCE LEASE AGREEMENT

On 15 July 2022, Shanghai Huanyu (as entrusted by Wenzhou Jinzhonghui under the Entrusted Lease Agreement) entered into the Finance Lease Agreement with the Lessee pursuant to which Shanghai Huanyu agreed to purchase the Equipment from the Lessee at a contract amount of approximately RMB1.4 million (equivalent to approximately HK\$1.7 million) and to lease the Equipment back to the Lessee for a term of 90 days with a total future lease payments (inclusive of interest and service fee) for such lease/contract period of approximately RMB1.5 million (equivalent to approximately HK\$1.8 million). The book value of the Equipment as of the date of the Finance Lease Agreement is approximately RMB1.4 million (equivalent to approximately HK\$1.7 million). In accordance with the relevant accounting standards, the amount of finance lease receivable recognised by the Group on inception date will be approximately RMB1.4 million (equivalent to approximately HK\$1.7 million).

THE GUARANTEE AGREEMENT

On 15 July 2022, Shanghai Huanyu (as entrusted by Wenzhou Jinzhonghui under the Entrusted Lease Agreement) entered into the Guarantee Agreement with the Corporate Guarantor, Mr. Shen and Ms. Wang to secure due payment of the lease payments payable by the Lessee pursuant to the Finance Lease Agreement.

LISTING RULES IMPLICATIONS

As the Transaction Documents and the Other Transaction Documents were entered into within a 12-month period prior to and inclusive of the date of the Transaction Documents, all these entrusted finance lease arrangements are aggregated as a series of transactions as if they were one transaction of the Group pursuant to Rule 14.22 of the Listing Rules. Since the relevant Percentage Ratios in respect of the aggregated entrusted finance lease arrangements are more than 5% but less than 25%, the entering into of the Transaction Documents constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

THE ENTRUSTED LEASE AGREEMENT

On 15 July 2022, Wenzhou Jinzhonghui (a wholly owned subsidiary of the Company) entered into the Entrusted Lease Agreement with Shanghai Huanyu pursuant to which Wenzhou Jinzhonghui entrusted Shanghai Huanyu to enter into the Finance Lease Agreement with the Lessee. The material terms of the Entrusted Lease Agreement have been summarised as follows:

Date of contract

15 July 2022

Parties

Trustor: Wenzhou Jinzhonghui

Trustee: Shanghai Huanyu

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Shanghai Huanyu and its ultimate beneficial owner (namely 陳湛偉 (Mr. Vincent Cham Wai Chan), an individual holding more than 50% indirect interest of Shanghai Huanyu, while no other shareholders of Shanghai Huanyu hold more than one-third or more of the entire interest of Shanghai Huanyu) are Independent Third Parties.

Service fees

RMB7,881.30 in aggregate, payable in three equal monthly instalments

Lease agreement being entrusted

The Finance Lease Agreement, major terms of which are listed in the section named "The Finance Lease Agreement"

Payments

Shanghai Huanyu, as the lessor under the Finance Lease Agreement, shall pay the trustor any payments received from the Lessee, after deduction of the service fees under the Entrusted Lease Agreement, within 5 days from receipt of such payments.

Other material terms

Wenzhou Jinzhonghui entrusts Shanghai Huanyu to carry out leasing transactions with the Lessee under its name according to the terms and conditions as stated in the Entrusted Lease Agreement. Shanghai Huanyu only charges service fees and disclaim any risks in such leasing transactions.

If the Lessee proposes early repayment and meets the conditions including no default from the commencement date of lease period to the date when early repayment is proposed, Shanghai Huanyu is authorized by Wenzhou Jinzhonghui to enter into any early repayment agreement with the Lessee.

Any stamp duty and value-added tax incurred by Shanghai Huanyu under the leasing transactions shall be borne by Wenzhou Jinzhonghui.

THE FINANCE LEASE AGREEMENT

On 15 July 2022, Shanghai Huanyu (as entrusted by Wenzhou Jinzhonghui under the Entrusted Lease Agreement) entered into the Finance Lease Agreement with the Lessee pursuant to which Shanghai Huanyu agreed to purchase the Equipment from the Lessee at a contract amount of approximately RMB1.4 million (equivalent to approximately HK\$1.7 million) and to lease the Equipment back to the Lessee for a term of 90 days with a total future lease payments (inclusive of interest and service fee) for such lease/contract period of approximately RMB1.5 million (equivalent to approximately HK\$1.8 million), comprising a principal of RMB1.4 million (equivalent to approximately HK\$1.7 million), interest of approximately RMB0.1 million (equivalent to approximately HK\$0.1 million) and service fee of RMB4,500 (equivalent to approximately HK\$5,357). In accordance with the relevant accounting standards, the amount of finance lease receivable recognised by the Group on inception date will be approximately RMB1.4 million (equivalent to approximately HK\$1.7 million). The material terms of the Finance Lease Agreement have been summarised as follows:

Date of contract

15 July 2022

Parties

Lessor: Shanghai Huanyu

Lessee: Lessee

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Lessee and its ultimate beneficial owners (namely 沈立新 (Mr. Shen Li Xin ("Mr. Shen"), English name for identification purpose only), an individual holding 60% indirect interest of the Lessee; and, 王建蘭 (Ms. Wang Jian Lan ("Ms. Wang"), English name for identification purpose only), an individual holding 40% indirect interest of the Lessee) are Independent Third Parties.

Aggregate consideration and breakdown

Contract Price: RMB1,400,000

Deposit: nil

Interest: RMB52,542

Service fee: RMB4,500

Book value of the Equipment

RMB1,400,000

Lease period

Ninety (90) days from 15 July 2022

Lease payments

The lease payments are payable in the following manner by the Lessee to Shanghai Huanyu over the lease/contract period:

- (1) principal: at the third monthly instalment;
- (2) interest: three equal monthly instalments; and
- (3) service fee: at 15 July 2022.

The lease payments are approximately RMB1.5 million (equivalent to approximately HK\$1.8 million), including a total interest of approximately RMB0.1 million (equivalent to approximately HK\$0.1 million), calculated at 15% per annum and a service fee of RMB4,500 (equivalent to approximately HK\$5,357). In accordance with the relevant accounting standards, the amount of finance lease receivable recognised by Wenzhou Jinzhonghui on inception date will be approximately RMB1.4 million (equivalent to approximately HK\$1.7 million).

Equipment ownership

During the lease period, the ownership of the Equipment will be vested in Shanghai Huanyu. Subject to the Lessee having duly and fully performed all of its obligations under the Finance Lease Agreement, Shanghai Huanyu will transfer the ownership of the Equipment to the Lessee at RMB100 (equivalent to approximately HK\$119) upon the expiry of the Finance Lease Agreement.

THE GUARANTEE AGREEMENT

On 15 July 2022, Shanghai Huanyu (as entrusted by Wenzhou Jinzhonghui under the Entrusted Lease Agreement) entered into the Guarantee Agreement with the Corporate Guarantor, Mr. Shen and Ms. Wang to secure due payment of the lease payments under Finance Lease Agreement. The material terms of the Guarantee Agreement has been summarised as follows:

Date of contract

15 July 2022

Parties

Guarantors: Corporate Guarantor, Mr. Shen and Ms. Wang

Lessor: Shanghai Huanyu (as entrusted by Wenzhou Jinzhonghui under the Entrusted Lease Agreement)

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, each of the Guarantors and its ultimate beneficial owners are Independent Third Parties.

Guarantee period

Expires two (2) years upon the expiration of the Finance Lease Agreement

Scope of guarantee

Each of the Corporate Guarantor, Mr. Shen and Ms. Wang agreed in the Guarantee Agreement to undertake guarantee to satisfy any and all of the liabilities of the Lessee under the Finance Lease Agreement.

OTHER TRANSACTION DOCUMENTS

The following table summarizes the brief information in relation to the Other Transaction Documents and the entrusted finance lease arrangement thereunder, which was entered into by Wenzhou Jinzhonghui and the relevant parties and within a 12-month period prior to and inclusive of the date of the Transaction Documents:

Date	Equipment	Lease period	Total lease payments (inclusive of interest) (RMB'million)	Total interest (RMB'million)	Finance lease receivables recognised on inception date (RMB'million)	Guaranteed by
13 July 2022	17 motor vehicles	90 days	1.7	0.1	1.6	Corporate Guarantor, Mr. Shen and Ms. Wang

For details, please refer to the announcements of the Company dated 13 July 2022.

REASONS FOR, AND BENEFITS OF, THE TRANSACTION

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of leasing services.

The Lessee is principally engaged in the business of automobile operation management.

The terms of the Transaction Documents were determined after arm's length negotiation between the relevant parties and Wenzhou Jinzhonghui respectively, with reference to, among other things, the prevailing market terms and practices.

The Company is in the process of disposal of one of its leasing operating entities in the Hubei Province. For details of the disposal, please refer to announcements dated 31 March 2022 and 2 June 2022.

The Group will continue its leasing operations via other operating entities of the Group, of which one of the Group's leasing entities is located in Shenzhen. However, due to travel restrictions and strict quarantine measures, there has been significant delays in the set up of bank accounts for the operating entity in Shenzhen. The Group anticipate to complete the set up of the bank accounts on or around September 2022. During this time, the Group will continue its leasing operations without disruptions and engage other parties for the entering of entrust lease arrangement.

The Directors consider that the entering into the Transaction Documents are in the ordinary and usual course of business of Wenzhou Jinzhonghui and that will generate revenue and profit to the Group over the lease period. Since the Transaction Documents were entered into under normal commercial terms, the Directors are of the view that the terms of the Transaction Documents are fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the Transaction Documents and the Other Transaction Documents were entered into within a 12-month period prior to and inclusive of the date of the Transaction Documents, all these entrusted finance lease arrangements are aggregated as a series of transactions as if they were one transaction of the Group pursuant to Rule 14.22 of the Listing Rules. Since the relevant Percentage Ratios in respect of the aggregated entrusted finance lease arrangements are more than 5% but less than 25%, the entering into of the Transaction Documents constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context otherwise requires, have the following meanings:

“Board”	the board of Directors
“Company”	China Rongzhong Financial Holdings Company Limited, a limited liability company incorporated in Cayman Islands with its issued shares listed on the Main Board of the Stock Exchange
“connect person(s)”	has the same meaning ascribed to it under the Listing Rules
“Corporate Guarantor”	a limited liability company established in the PRC, the holding company of the Lessee, and, to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Corporate Guarantor and its ultimate beneficial owners, namely Mr. Shen and Ms. Wang, are Independent Third Parties.
“Director(s)”	director(s) of the Company
“Entrusted Lease Agreement”	the entrusted lease agreement entered into between Wenzhou Jinzhonghui and Shanghai Huanyu dated 15 July 2022 pursuant to which Wenzhou Jinzhonghui entrusted Shanghai Huanyu to enter into the Finance Lease Agreement with the Lessee
“Equipment”	18 motor vehicles
“Finance Lease Agreement”	the finance lease agreement entered into between Shanghai Huanyu (as entrusted by Wenzhou Jinzhonghui under the Entrusted Lease Agreement) and the Lessee dated 15 July 2022 pursuant to which Shanghai Huanyu will purchase the Equipment from the Lessee and lease it back to the Lessee

“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the guarantee agreement entered into between Shanghai Huanyu (as entrusted by Wenzhou Jinzhonghui under the Entrusted Lease Agreement) and the Corporate Guarantor, Mr. Shen and Ms. Wang dated 15 July 2022, pursuant to which each of the Corporate Guarantor, Mr. Shen and Ms. Wang has provided to Shanghai Huanyu certain guarantees
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Shanghai Huanyu”	環宇融資租賃(上海)有限公司(Huanyu Financial Leasing (Shanghai) Co. Ltd., English name for identification purpose only), a limited liability company established in the PRC, with its principal business in the provision of financial leasing services, and, to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, an Independent Third Party
“Independent Third Party(ies)”	any person(s) or company(ies) who are not connected persons (as defined in the Listing Rules) of the Company and are independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Lessee”	a limited liability company established in the PRC, with its principal business being the provision of various automobile operation management services, and, to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, an Independent Third Party
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Other Transaction Documents”	the entrusted lease agreement, the finance lease agreement and the guarantee agreement each entered into on 13 July 2022 as disclosed in the announcement of the Company dated 13 July 2022
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Transaction Documents”	the Entrusted Lease Agreement, the Finance Lease Agreement and the Guarantee Agreement
“Wenzhou Jinzhonghui”	溫州金眾匯汽車租賃服務有限公司(Wenzhou Jinzhonghui Automobile Leasing Services Co., Ltd., English name for identification purpose only), a limited liability company incorporated in the PRC and a wholly own subsidiary of the Company
“%”	per cent

Unless otherwise defined, for the purpose of this announcement and for the purpose of illustration only, HK\$ amounts have been translated using the following exchange rate:

HK\$1: RMB0.84

Such translations should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate at all.

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

Hong Kong, 15 July 2022

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.