RONGZHONG

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 2017

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 2017 (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 COMPREHENSIVE INCOME

For the six months ended 30 September 2017

	Notes	Six months ended 30 September **2017** ***HK$'000*** **(Unaudited)**	2016 *HK$'000* (Unaudited)
Revenue	*3*	**68,803**	103,414
Other income		**558**	2,128
Net exchange (loss)/gain		**(2,608)**	1,321
Staff costs		**(3,459)**	(5,160)
Impairment losses on finance lease receivables		**(215,993)**	(8,429)
Other operating expenses		**(3,843)**	(8,029)
Finance costs	*4*	**(24,585)**	(32,077)
(Loss)/profit before income tax	*5*	**(181,127)**	53,168
Income tax expense	*6*	**(8,203)**	(14,095)
(Loss)/profit for the period		**(189,330)**	39,073
Other comprehensive income/(expense)			
Item that will not be reclassified to profit or loss:			
Exchange differences arising on translation to presentation currency		**31,537**	(20,356)
Total comprehensive expense/(income) for the period		**(157,793)**	18,717
(Loss)/earnings per share			
Basic and diluted *(HK cents)*	*8*	**(46)**	9

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2017

	Notes	30 September 2017 HK$'000 (Unaudited)	31 March 2017 HK$'000 (Audited)
Non-current assets			
Equipment		**1,821**	2,167
Finance lease receivables	*9*	**263,193**	465,319
		265,014	467,486
Current assets			
Finance lease receivables	*9*	**994,893**	970,647
Loan receivable		**10,353**	10,685
Prepayments and other receivables		**7,050**	5,654
Security deposits		**7,877**	7,435
Short term bank deposits with original maturity within three months		**30,022**	30,015
Bank balances and cash		**60,185**	13,241
		1,110,380	1,037,677
Current liabilities			
Deposits from finance lease customers		**187,169**	207,764
Other payables and accrued charges		**17,198**	16,198
Deferred income		**2,629**	3,671
Tax liabilities		**43,731**	33,247
Bank borrowings		**417,131**	675,003
		667,858	935,883
Net current assets		**442,522**	101,794
Total assets less current liabilities		**707,536**	569,280
Non-current liabilities			
Deposits from finance lease customers		**44,109**	44,287
Deferred income		**893**	1,954
Bank borrowings		**304,667**	7,379
		349,669	53,620
Net assets		**357,867**	515,660
Capital and reserve			
Share capital		**4,125**	4,125
Reserves		**353,742**	511,535
Total equity		**357,867**	515,660

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

1. BASIC OF PREPARATION AND GOING CONCERN ASSUMPTION

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

The interim condensed consolidated financial statements do not include all of the information 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 2017.

Going Concern

The Group recorded a net loss attributable to owners of the Company of HK$189,330,000 for the six months ended 30 September 2017. The loss for the period is primary attributable to the impairment losses on finance lease receivables. The majority of the Group's finance lease receivables were past due as at 30 September 2017. The Group has experienced a significant slow-down in the collection of these receivables and of which an impairment loss of HK$215,993,000 has been recognised in the six months period ended on 30 September 2017 in respect of these receivables. Although the Group has implemented active collection measures, most of the past due receivables as at 30 September 2017 have not yet been collected as at the date of approval of these interim condensed consolidated financial statements. In the event that the Group is unable to collect these receivables on the time table as expected by management, the Group may not have sufficient resources to repay its borrowings that fall due in the foreseeable future.

The above conditions indicate the existence of material uncertainties which may cast significant doubt about the ability of the Group to continue as a going concern.

In view of these circumstances, the directors of the Company 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, taken into account the following relevant matters:

(i) Negotiation of obtaining banking facilities

The Group has negotiated with the relevant bank to refinance its existing debts and the directors of the Company expect to obtain a new banking facility in the near future for renewal and/or extension of bank borrowings. During the six months ended 30 September 2017, the Group had successfully extended its debts with principal amounts of approximately HK$363,769,000 for at least one year and obtained additional banking facilities of which HK$254,831,000 has not been utilised up to the date of approval of these interim condensed consolidated financial statements.

(ii) Implementation of active collecting measures of finance lease receivables

The Group has been taking active measures to collect finance lease receivables through various channels including lawsuit, debt restructuring, and any effective methods to improve operating cash flows and its financial position.

(iii) 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.

The directors of the Company have reviewed the Group's cash flow projections which cover a period of not less than twelve months from the date of approval of these interim condensed consolidated financial statements. They are of the opinion that after taking into account the successful obtaining of new banking facility in the near future for the renewal and/or extension of bank borrowings; the implementation of active collecting measures of finance lease receivables; and the implementation of cost-saving measures, the Group will have sufficient working capital to satisfy its present requirements for at least the next twelve months from the date of approval of these interim condensed consolidated financial statements. 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.

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the following:

(i) Successful in obtaining of sufficient new banking facilities to refinance its existing debts; and

(ii) Successful implementation and acceleration of its collecting plan of finance lease receivables to collect a substantial amount of finance lease receivables in the near future.

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. Should the Group be 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 recoverable 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 interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2017 except as described below.

In the current interim period, the Group has adopted, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial year beginning on 1 April 2017:

HKFRSs (Amendments)	*Annual Improvements 2014-2016 Cycle*
Amendments to HKAS 7	*Disclosure Initiative*
Amendments to HKAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*

The adoption of these amendments has no material impact on the Group's results of operation or financial position.

The HKICPA has issued a number of new or revised standards, interpretations and amendments to standards which are not effective for accounting period beginning on 1 April 2017 and the Group has not early adopted the rules.

3. REVENUE AND SEGMENT INFORMATION

Revenue for the Reporting Period represents income received and receivable from the provision of financial leasing services in the People's Republic of China ("PRC").

The directors of the Company have determined that the Group has only one operating and reportable segment throughout the Reporting Period, as the Group is principally engaged in providing financial leasing services in the PRC, and the executive directors of the Company, being the chief operating decision maker of the Group, review 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.

4. FINANCE COSTS

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on borrowings	**22,268**	26,350
Imputed interest expense on interest-free deposits from finance lease customers	**2,317**	5,727
	24,585	32,077

5. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax has been arrived at after charging:

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Directors' remuneration	**1,501**	1,920
Other staff costs		
– Salaries, allowances and other staff benefits	**1,807**	2,926
– Staff's retirement benefit scheme contributions	**151**	314
Total staff costs	**3,459**	5,160
Depreciation of equipment	**450**	1,164
Operating lease rentals in respect of properties	**948**	1,293

6. INCOME TAX EXPENSE

	Six months ended 30 September	
	2017	2016
	HK\$'000	*HK\$'000*
	(Unaudited)	(Unaudited)
The charge comprises:		
Current tax		
Enterprise Income Tax in the PRC		
– Provision for the current period	**8,187**	16,181
– Under provision in prior period	**16**	21
	8,203	16,202
Deferred tax	**–**	(2,107)
	8,203	14,095

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 estimated assessable income during both periods.

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 subsidiary was 25% during the Reporting Period.

As at 30 September 2017, the Group had no unused tax losses but had deductible temporary differences of HK\$626,205,000, for which no deferred tax asset has been recognised in relation to such deductible temporary differences as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

As at 31 March 2017, the Group had unused tax losses of HK\$7,062,000 and deductible temporary differences of HK\$387,165,000 available for offset against future profits. No deferred tax asset has been recognised in relation to such deductible temporary differences and tax losses as it is not probable that taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. The Group utilized the unrecognised tax losses of HK\$7,062,000 during the six months ended 30 September 2017.

7. DIVIDENDS

No dividend was paid, declared or proposed for ordinary shareholders of the Company during the six months ended 30 September 2017, nor has any dividend been proposed since the end of the reporting period (six months ended 30 September 2016: nil).

8. (LOSS)/EARNINGS PER SHARE

	Six months ended 30 September	
	2017	2016
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
(Loss)/earnings:		
(Loss)/profit for the period attributable to owners of the Company for the purpose of basic and diluted earnings per share	**(189,330)**	39,073
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share (in thousands)	**412,509**	412,509

The basic and diluted (loss)/earnings per share is calculated based on the (loss)/profit attributable to owners of the Company and the weighted average number of ordinary shares for the six months ended 30 September 2016 and 2017.

The Group had no potential ordinary shares in issue during both periods.

9. FINANCE LEASE RECEIVABLES

The Group provides financial leasing services in the PRC.

	Minimum lease payments		Present value of minimum lease payments	
	30 September 2017	31 March 2017	**30 September 2017**	31 March 2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)
Finance lease receivables comprise:				
Within one year	**1,601,672**	1,387,006	**1,508,690**	1,292,527
In more than one year but not more than five years	**306,837**	485,709	**265,088**	428,465
More than five years	**105,878**	99,929	**96,227**	88,656
	2,014,387	1,972,644	**1,870,005**	1,809,648
Less: Unearned finance income	**(144,382)**	(162,996)	**–**	–
Present value of minimum lease payment	**1,870,005**	1,809,648	**1,870,005**	1,809,648
Less: Impairment allowance	**(611,919)**	(373,682)	**(611,919)**	(373,682)
	1,258,086	1,435,966	**1,258,086**	1,435,966
Analysed for reporting purposes as:				
Current assets			**994,893**	970,647
Non-current assets			**263,193**	465,319
			1,258,086	1,435,966

The Group's finance lease receivables are denominated in RMB which is the functional currency of the relevant group entity. The effective interest rates of the above finance leases range mainly from 7.6% to 21.9% (31 March 2017: 9.5% to 23.9%) per annum as at 30 September 2017.

EXTRACT OF REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

The following is the extract of the independent review report on the Group's interim financial information for the six months ended 30 September 2017:

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Emphasis of matter

Without qualifying our review conclusion, we draw attention to Note 2[#] to the interim condensed consolidated financial information which states that (a) the Group recorded a net loss attributable to owners of the Company of HK$189,330,000 for the six months ended 30 September 2017; and (b) the majority of the Group's finance lease receivables were past due as at 30 September 2017 and the Group has experienced a significant slow-down in the collection of these receivables and of which an impairment loss of HK$215,993,000 has been recognised in the six months period ended on 30 September 2017. These matters highlight the existence of material uncertainties relating to conditions that cast significant doubt on the Group's ability to continue as a going concern.

[#] *being Note 1 in this interim results announcement*

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

The Group is principally engaged in the business of provision of financial leasing services in Hubei Province, the People's Republic of China (the "PRC") and maintained its leading position with the longest operating history amongst the Hubei-based finance lease companies. We offer two categories of financial leasing services to our customers; namely: (i) sales and leaseback; and (ii) direct financial leasing and value-added advisory and consultancy services are also offered to our finance lease customers.

FINANCIAL REVIEW

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

Revenue

We have one principal business segment, financial leasing, and the two services derived are financial leasing services and our financial advisory services provided as a value added service to our leasing customers, which in turn generates interest income and advisory income. Lease contracts are generally priced at market interest rates, determined with reference to the prevailing interest rates for commercial lending plus a premium. Advisory income is determined solely on the advisory services we provide and since our advisory services are normally provided in conjunction with our leasing services, we record both types of income as a single item in our financial statements. The Group realized revenue for the Reporting Period of approximately HK$68.8 million, representing a decrease of approximately 33.5% from approximately HK$103.4 million as recorded in the previous corresponding period ended 30 September 2016. This was mainly due to the Group's prudent and conservative strategy to promote business during the static economy in order to safeguard our asset.

Staff costs

Staff costs of the Group amounted to approximately HK$3.5 million for the Reporting Period, representing a decrease of approximately 33.0% from approximately HK$5.2 million recorded in the previous corresponding period ended 30 September 2016. This was mainly due to decrease in the number of staffs.

Other operating expenses

During the Reporting Period, the other operating expenses of the Group amounted to approximately HK$3.8 million, which is decreased by approximately 52.1% compared with approximately HK$8.0 million of previous corresponding period in 2016. This was mainly due to decrease in legal and professional fees.

Impairment losses on finance lease receivables

The impairment losses on finance lease receivables amounted to approximately HK$216.0 million for the Reporting Period, representing an increase of approximately HK$207.6 million from approximately HK$8.4 million recorded in the previous corresponding period in 2016. Such increase is mainly due to the Group has experienced a significant slow-down in the collection of the finance lease receivables in the overall protracting economic downturn.

Other income

Other income of the Group mainly comprised of interest income from loan and bank interest income. During the Reporting Period, the other income of the Group amounted to approximately HK$0.6 million, which is a decrease of approximately 73.8% from approximately HK$2.1 million recorded in the previous corresponding period in 2016.

Finance costs

Finance costs of the Group comprised of interest on bank borrowings and imputed interest expense on interest-free deposits from finance lease customers. During the Reporting Period, finance costs of the Group amounted to approximately HK$24.6 million, representing a decrease of approximately 23.4% from approximately HK$32.1 million in the previous corresponding period in 2016.

As at 30 September 2017, the outstanding bank borrowings guaranteed by related parties amounted to approximately HK$721.8 million (30 September 2016: approximately HK$150.0 million) and the guarantee fee paid to the related parties during the Reporting Period amounted to Nil (2016: Nil).

(Loss) Profit for the period attributable to the owners of the Company

Loss for the period amounted to approximately HK$189.3 million, representing a decrease of approximately HK$228.4 million from approximately HK$39.1 million profit recorded in the previous corresponding period ended 30 September 2016. This was mainly due to an increase in the recognition of provision for the impairment losses of finance lease receivables.

Interim dividend

The Board did not recommend the payment of any interim dividend for the six months ended 30 September 2017.

Liquidity, financial resources and capital resources

As at 30 September 2017, the aggregate sum of the Group's bank balances and cash, short-term bank deposits amounted to approximately HK$90.2 million (31 March 2017: approximately HK$43.3 million), representing an increase of approximately HK$46.9 million compared to 31 March 2017. As at 30 September 2017, the working capital (current assets less current liabilities) and the total equity of the Group were approximately HK$442.5 million (31 March 2017: approximately HK$101.8 million) and approximately HK$357.9 million respectively (31 March 2017: approximately HK$515.7 million).

As at 30 September 2017, the Group's bank borrowings with maturity within one year amount to approximately HK$417.1 million (31 March 2017: approximately HK$675.0 million) and the Group's bank borrowings with maturity exceeding one year amounted to approximately HK$304.7 million (31 March 2017: approximately HK$7.4 million).

Our gearing ratio (total bank borrowings/total equity) as at 30 September 2017 was approximately 201.7% (31 March 2017: approximately 132.3%).

Loan receivable

Loan receivable represents a loan, due within one year, to a third party in Hong Kong during the Reporting Period which carries interest at 10% per annum.

Charges on group assets

As at 30 September 2017, the Group's finance lease receivables with an aggregate carrying value of approximately HK$284.5 million (31 March 2017: approximately HK$555.7 million) were pledged to several banks in the PRC respectively to secure certain bank borrowings of the Group.

Capital commitments

As at 30 September 2017, the Group has no capital commitments (31 March 2017: Nil).

Employees and remuneration policy

As at 30 September 2017, the Group had 23 staffs located in both Hong Kong and the PRC, their remuneration is determined based on the employees' performance, experience and prevailing industry practices.

In Hong Kong, we participate in a Mandatory Provident Fund Scheme (the "MPF Scheme") established under the Mandatory Provident Fund Schemes Ordinance. 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 the PRC laws to contribute a certain percentage of payroll cost 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 in Hubei Province of the PRC 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 finance lease receivables 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 face with a greater risk on default, especially the SMEs. Most SMEs customers in general have less financial resources in terms of capital or fund raising capability when comparing to larger corporations, they are more likely to be adversely affected by changes in volatile market conditions, which poses increasing risk of default to our Group. We have and will continue to exercise extreme caution towards the mitigation of credit risks, implementing more stringent credit assessments towards existing and potential customers. Our management has been monitoring the changes in our customers' credit risk, and we had, in fact, in some cases requested additional collaterals and pledge 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 measure to minimize our risk of exposure to such credit risk.

Risk relating to funding sources and interest rate

Our business operation relies substantially on interest-bearing bank loans. We have incurred, and expected 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 charging to our clients by the same amount in order to minimize our risk of exposure to such interest rate risk.

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.

CONTINGENT LIABILITIES

As at 30 September 2017, the Group did not have any material contingent liabilities of guarantees (2016: nil).

EVENTS AFTER THE PERIOD UNDER REVIEW

The Group had no material subsequent events after the period under review.

BUSINESS REVIEW AND PROSPECTS

In the first half of 2017, we saw the continuation of the volatile economic environment exerting its impact on the Group and many SMEs in the PRC. While striving to maintain our operation at a similar level in comparison to the previous corresponding period ended 30 September 2016, we exercised extreme caution towards the mitigation of credit risks by implementing a series of measures with even stronger and more stringent emphasis placed on the assessment of existing and potential customers. Nonetheless, our performance is continued to be affected by the economic turbulence.

Looking forward in the second half of 2017, in spite of the enforcement of our stringent risk management procedures, the Group remain committed to the further development towards it operations in Hubei Province and to continue to strengthen its competitive position in other regions of the PRC with similar dynamics to Hubei Province. Commensurable to many SMEs, the Group is likely to face many challenges as a result of the overall protracting economic downturn, creating a domino effect leading to possible deterioration of asset quality and short-term liquidity, fabricating higher risk exposure to our existing customers as well as the predicament associated with risk assessments towards potential new business opportunities.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Group is committed to promoting 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 Hong Kong Limited ("Listing Rules"). 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.

AUDIT COMMITTEE

The audit committee ("Audit Committee") was established by the Board on 18 December 2015 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and Code Provision C.3 of the CG Code. The primary duties of the Audit Committee include but not limited to the reviewing and supervising of the Group's financial reporting process and internal control system and providing advices and comments to the Board. As at the date of this announcement, the Audit Committee consisted of one non-executive Director: Mr. Sun Changyu, and three independent non-executive Directors: Mr. Duan Chang Feng, Mr. Nie Yong, and Ms. Zou Lin. The chairman of the Audit Committee is Mr. Nie Yong.

A meeting of the Audit Committee was held to review the accounting principles and policies adopted by the Group; and the unaudited interim condensed consolidated financial statements together with the unaudited interim report for the six months ended 30 September 2017 with the management of the Company and the external auditor of the Company, BDO Limited.

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.

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 2017.

PUBLICATION OF INFORMATION

This announcement is published on the websites of the Company (www.chinarzfh.com) and the Stock Exchange (www.hkexnews.hk). The unaudited interim report of the Company for the six months ended 30 September 2017 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
Xie Xiaoqing
Chairman

Hong Kong, 27 November 2017

As at the date of this announcement, the executive Directors of the Company are Mr. Xie Xiaoqing and Mr. Yao Feng; the non-executive Directors of the Company are Ms. Li Yu Lian Kelly, Mr. Sun Changyu and Ms. Wong Jacqueline Yue Yee and the independent non-executive Directors of the Company are Mr. Duan Chang Feng, Mr. Nie Yong and Ms. Zou Lin.