

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**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**  
**EXTENSION OF FINANCE LEASE ARRANGEMENT**

**THE FINANCE LEASE SUPPLEMENTAL AGREEMENT II**

The board of directors (the “**Board**”) of China Rongzhong Financial Holdings Company Limited (the “**Company**”) is pleased to announce that, on 28 March 2019 Rongzhong PRC (a wholly-owned subsidiary of the Company) entered into the Finance Lease Supplemental Agreement II with the Lessee pursuant to which Rongzhong PRC agreed to extend the lease term under the Finance Lease Agreement, the Finance Lease Supplemental Agreement I and the Overall Finance Lease Arrangement Confirmation Agreement for twenty-four (24) months. The contract amount of the Equipment is approximately RMB33.4 million (equivalent to approximately HK\$38.0 million) with a total future lease payments of approximately RMB39.3 million (equivalent to approximately HK\$44.7 million), inclusive of interest of approximately RMB4.5 million (equivalent to approximately HK\$5.1 million), handling fee of approximately RMB0.4 million (equivalent to approximately HK\$0.5 million) for the extension period and outstanding handling fee under the Finance Lease Agreement and the Finance Lease Supplemental Agreement I of approximately RMB1.0 million (equivalent to approximately HK\$1.1 million). The agreed security deposit is approximately RMB1.0 million (equivalent to approximately HK\$1.1 million).

**THE GUARANTEE SUPPLEMENTAL AGREEMENT**

On 28 March 2019, Rongzhong PRC entered into the Guarantee Supplemental Agreement with Wuhan Rongzhong Investment Guarantee Company Limited (“**Wuhan Rongzhong Guarantee**”), pursuant to which Wuhan Rongzhong Guarantee agreed to provide certain guarantee in favour of Rongzhong PRC in respect of the Lessee’s obligations under the Finance Lease Agreements.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable Percentage Ratios under Rule 14.07 of the Listing Rules for the Finance Lease Supplemental Agreement II is more than 5% but all of them are less than 25%, the transaction contemplated under the Finance Lease Supplemental Agreement II constitute a disclosable transaction of the Company and is therefore subject to the announcement requirement in Chapter 14 of the Listing Rules.

## **BACKGROUND**

### **The Finance Lease Agreement**

On 15 May 2015, Rongzhong PRC entered into the Finance Lease Agreement with the Lessee pursuant to which Rongzhong PRC agreed to purchase the Equipment from the Lessee at a contract amount of approximately RMB47.8 million (equivalent to approximately HK\$54.3 million) and to lease the Equipment back to the Lessee for a term of thirty-six (36) months from 21 May 2015 with a total future lease payments of approximately RMB59.9 million (equivalent to approximately HK\$68.1 million), inclusive of interest of approximately RMB9.1 million (equivalent to approximately HK\$10.3 million) and handling fee of approximately RMB3.0 million (equivalent to approximately HK\$3.4 million) for such lease period. The book value of the Equipment as at December 2014 was approximately RMB91.8 million (equivalent to approximately HK\$104.3 million).

The interest payments are payable in thirty-six (36) monthly instalments and the handling fee is payable in three equal instalments of approximately RMB1.0 million (equivalent to approximately HK\$1.1 million) first upon the Lessee having received the contract amount of the Equipment of approximately RMB47.8 million (equivalent to approximately HK\$54.3 million) from Rongzhong PRC, then on the thirteenth (13th) and the twenty-fifth (25th) month of such lease period. The contract amount of the Equipment is payable in twelve (12) equal monthly instalments of approximately RMB0.2 million (equivalent to approximately HK\$0.2 million) during the first twelve (12) months of the lease period; twelve (12) equal monthly instalments of approximately RMB0.5 million (equivalent to approximately HK\$0.6 million) from the thirteenth (13th) to the twenty-fourth (24th) months of the lease period; and twelve (12) equal monthly instalments of approximately RMB3.3 million (equivalent to approximately HK\$3.8 million) from the twenty-fifth (25th) months to the end of the lease period, in each case by the Lessee to Rongzhong PRC.

### **The Guarantee Agreement**

On 15 May 2015, Rongzhong PRC entered into the Guarantee Agreement with Wuhan Rongzhong Guarantee, pursuant to which Wuhan Rongzhong Guarantee agreed to provide certain guarantee in favour of Rongzhong PRC in respect of the Lessee's obligations under the Finance Lease Agreement.

### **The Overall Finance Lease Arrangement Confirmation Agreement**

On 15 May 2015, Rongzhong PRC entered into the Overall Finance Lease Arrangement Confirmation Agreement with Lessee, Wuhan Rongzhong Guarantee, Corporate Guarantor I, Corporate Guarantor II, Corporate Guarantor III, Corporate Guarantor IV (collectively, the "**Corporate Guarantors**"), Beneficial Owner I and Beneficial Owner II (collectively, the "**Beneficial Owners**") to confirm, amongst other things, each of their respective obligations under the Finance Lease Agreement, the Wuhan Rongzhong Guarantee Service Agreement, the Beneficial Owner Counter-guarantee Agreements, the Corporate Guarantor Counter-guarantee Agreements and the Pledge Asset Agreement respectively in relation to the Finance Lease Agreement.

## **The Finance Lease Supplemental Agreement I**

As at 20 May 2017, the outstanding contract amount of the Equipment under the Finance Lease Agreement amounted to approximately RMB39.4 million (equivalent to approximately HK\$44.8 million), hence, on 20 May 2017, Rongzhong PRC entered into the Finance Lease Supplemental Agreement I with the Lessee pursuant to which Rongzhong PRC agreed to supplement and vary certain repayment terms in relation to the contract amount of the Equipment under the Finance Lease Agreement in the following manner:

1. with effect from the twenty-fifth (25th) instalment starting on June 2017 to repay approximately RMB0.5 million (equivalent to approximately HK\$0.6 million) in eleven (11) equal monthly instalments; and
2. to pay the remaining contract amount of the Equipment of approximately RMB33.9 million (equivalent to approximately HK\$38.5 million) and handling fee of approximately RMB1.0 million (equivalent to approximately HK\$1.1 million) at the end of the lease period, in each case payable by the Lessee to Rongzhong PRC.

## **THE FINANCE LEASE SUPPLEMENTAL AGREEMENT II**

As at 20 May 2018, the outstanding contract amount of the Equipment under the Finance Lease Agreement and the Finance Lease Supplemental Agreement I amounted to approximately RMB33.4 million (equivalent to approximately HK\$38.0 million) and as at 28 March 2019 the said outstanding contract amount is approximately RMB28.9 million (equivalent to approximately HK\$32.8 million). On 28 March 2019, Rongzhong PRC entered into the Finance Lease Supplemental Agreement II with the Lessee pursuant to which Rongzhong PRC agreed to extend the lease term under the Finance Lease Agreement, the Finance Lease Supplemental Agreement I and the Overall Finance Lease Arrangement Confirmation Agreement for twenty-four (24) months from 20 May 2018 with a total future lease payments of approximately RMB39.3 million (equivalent to approximately HK\$44.7 million), inclusive of interest of approximately RMB4.5 million (equivalent to approximately HK\$5.1 million), handling fee of approximately RMB0.4 million (equivalent to approximately HK\$0.5 million) for the extension period and outstanding handling fee under the Finance Lease Agreement and the Finance Lease Supplemental Agreement I of approximately RMB1.0 million (equivalent to approximately HK\$1.1 million). The agreed security deposit is approximately RMB1.0 million (equivalent to approximately HK\$1.1 million). The material terms of the Finance Lease Supplement Agreement II have been summarised as follows:

### **Date of contract**

28 March 2019

### **Parties**

Lessor: Rongzhong PRC

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 are Independent Third Parties.

**Extension period**

Twenty-four (24) months from 20 May 2018

**Lease payments**

The aggregate of the interest payments, payable in twenty-four (24) monthly instalments over the extension period, the contract amount of the Equipment, payable in (i) twenty-three (23) equal monthly instalments of approximately RMB0.5 million (equivalent to approximately HK\$0.6 million) and (ii) the outstanding balance of approximately RMB21.9 million (equivalent to approximately HK\$24.9 million) in full at the end of the extension period, and the handling fee of approximately RMB1.4 million (equivalent to approximately HK\$1.6 million) inclusive of handling fee for the extension period and outstanding handling fee under the Finance Lease Agreement and the Finance Lease Supplemental Agreement I, in each case payable by the Lessee to Rongzhong PRC, are approximately RMB39.3 million (equivalent to approximately HK\$44.7 million), which includes a total interest of approximately RMB4.5 million (equivalent to approximately HK\$5.1 million), calculated at the PBOC Rate of compatible maturity period plus a premium and determined after arm's length negotiations between the Lessee and Rongzhong PRC with reference to, among others, the prevailing market terms and practices.

**Security deposit**

The security deposit of approximately RMB1.0 million (equivalent to approximately HK\$1.1 million) bears no interest and will be repaid to Lessee by Rongzhong PRC upon the Lessee having duly and fully performed all of its obligations under the Finance Lease Agreements.

**Equipment ownership**

During the extension period, the ownership of the Equipment will continue to be vested in Rongzhong PRC. Subject to the Lessee having duly and fully performed all of its obligations under the Finance Lease Agreements, Rongzhong PRC will transfer the ownership of the Equipment to the Lessee at RMB100.0 (equivalent to approximately HK\$113.6) upon the expiry of the Finance Lease Agreements.

**THE GUARANTEE SUPPLEMENTAL AGREEMENT**

On 28 March 2019, Rongzhong PRC entered into the Guarantee Supplemental Agreement with Wuhan Rongzhong Guarantee, pursuant to which Wuhan Rongzhong Guarantee agreed to provide certain guarantee in favour of Rongzhong PRC in respect of the Lessee's obligations under the Finance Lease Agreements. The material terms of the Guarantee Supplemental Agreement have been summarized as follows:

**Date of contract**

28 March 2019

## **Parties**

Guarantor: Wuhan Rongzhong Guarantee

Lessor: Rongzhong PRC

## **Guarantee period**

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

## **Scope of guarantee**

Wuhan Rongzhong Guarantee agreed in the Guarantee Supplemental Agreement to undertake guarantee, to satisfy any and all of the liabilities of the Lessee under the Finance Lease Agreements.

## **REASONS FOR, AND BENEFITS OF, THE TRANSACTIONS**

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

The Lessee is principally engaged in the business of domestic and international shipping and logistic operations.

The terms of the Finance Lease Supplemental Agreement II and the Guarantee Supplemental Agreement were determined after arm's length negotiation between the relevant parties and Rongzhong PRC respectively, with reference to, among other things, the prevailing market terms and practices.

The Directors consider that the entering into the Finance Lease Supplemental Agreement II and the Guarantee Supplemental Agreement are in the ordinary and usual course of business of Rongzhong PRC and that will generate revenue and profit to the Group over the extended lease period. Extending the repayment period will also assist the Lessee to address its temporary liquidity difficulties, increase the likelihood of timely repayments by the Lessee and enhance client affinity to the Group. Since the Finance Lease Supplemental Agreement II and the Guarantee Supplemental Agreement were entered into under normal commercial terms, the Directors are of the view that the terms of the Finance Lease Supplemental Agreement II and the Guarantee Supplemental Agreement are fair and reasonable and are in the interest of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable Percentage Ratios under Rule 14.07 of the Listing Rules for the Transaction Documents is more than 5% but all of them are less than 25%, the transaction contemplated under the Transaction Documents constitute a disclosable transaction of the Company and is therefore subject to the announcement requirement in Chapter 14 of the Listing Rules.

## DEFINITIONS

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

“Beneficial Owner Counter-guarantee Agreement I”	the guarantee agreement entered into between Wuhan Rongzhong Guarantee, the Lessee and the Beneficial Owner I dated 15 May 2015, pursuant to which the Beneficial Owner I agreed to provide certain guarantee to Wuhan Rongzhong Guarantee for its provision of guarantee service to the Lessee in favour of Rongzhong PRC in relation to the Finance Lease Agreement
“Beneficial Owner Counter-guarantee Agreement II”	the guarantee agreement entered into between Wuhan Rongzhong Guarantee, the Lessee and the Beneficial Owner II dated 15 May 2015, pursuant to which the Beneficial Owner II agreed to provide certain guarantee to Wuhan Rongzhong Guarantee for its provision of guarantee service to the Lessee in favour of Rongzhong PRC in relation to the Finance Lease Agreement
“Beneficial Owner Counter-guarantee Agreements”	the Beneficial Owner Counter-guarantee Agreement I and the Beneficial Owner Counter-guarantee Agreement II
“Beneficial Owner I”	an individual holding 55% interest of the Lessee, 26.95% of the Corporate Guarantor II, 55% of the Corporate Guarantor III and an Independent Third Party
“Beneficial Owner II”	an individual holding 45% interest of the Lessee, 22.05% of the Corporate Guarantor II, 45% of the Corporate Guarantor III and an Independent Third Party
“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 Counter-guarantee Agreement I”	the guarantee agreement entered into between Wuhan Rongzhong Guarantee, the Lessee and the Corporate Guarantor I dated 15 May 2015, pursuant to which the Corporate Guarantor I agreed to provide certain guarantee to Wuhan Rongzhong Guarantee for its provision of guarantee service to the Lessee in favour of Rongzhong PRC in relation to the Finance Lease Agreement



“Corporate Guarantor Counter-guarantee Agreement II”	the guarantee agreement entered into between Wuhan Rongzhong Guarantee, the Lessee and the Corporate Guarantor II dated 15 May 2015, pursuant to which the Corporate Guarantor II agreed to provide certain guarantee to Wuhan Rongzhong Guarantee for its provision of guarantee service to the Lessee in favour of Rongzhong PRC in relation to the Finance Lease Agreement
“Corporate Guarantor Counter-guarantee Agreement III”	the guarantee agreement entered into between Wuhan Rongzhong Guarantee, the Lessee and the Corporate Guarantor III dated 15 May 2015, pursuant to which the Corporate Guarantor III agreed to provide certain guarantee to Wuhan Rongzhong Guarantee for its provision of guarantee service to the Lessee in favour of Rongzhong PRC in relation to the Finance Lease Agreement
“Corporate Guarantor Counter-guarantee Agreement IV”	the guarantee agreement entered into between Wuhan Rongzhong Guarantee, the Lessee and the Corporate Guarantor IV dated 15 May 2015, pursuant to which the Corporate Guarantor IV agreed to provide certain guarantee to Wuhan Rongzhong Guarantee for its provision of guarantee service to the Lessee in favour of Rongzhong PRC in relation to the Finance Lease Agreement
“Corporate Guarantor Counter-guarantee Agreements”	the Corporate Guarantor Counter-guarantee Agreement I, the Corporate Guarantor Counter-guarantee Agreement II, the Corporate Guarantor Counter-guarantee Agreement III and the Corporate Guarantor Counter-guarantee Agreement IV
“Corporate Guarantor I”	a limited liability company established in the PRC with principal business in manufacturing, processing, repairing and sales of ships and vessels and to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries an Independent Third Party
“Corporate Guarantor II”	a limited liability company established in the PRC with principal business in trading of metallic materials, mineral products, building materials, machinery and equipment and to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries an Independent Third Party
“Corporate Guarantor III”	a limited liability company established in the PRC with principal business in trading of metallic materials, mineral products, building materials, auto parts, machinery and equipment and to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries an Independent Third Party

“Corporate Guarantor IV”	a limited liability company established in the PRC with principal business in domestic coastal transportation in the middle and lower regions of the Yangtze River, trading of building materials, machinery and equipment, auto parts sales, import and export of various commodities and technologies and to the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries an Independent Third Party
“Director(s)”	director(s) of the Company
“Equipment”	1 set of 800 ton gantry crane and 43 sets of various double bridge cranes, digital plasma cutting machines, air compressors, single column hydraulic press, transformers, steel plate processing production line, sandblasting recycling system and steel plate pre-treatment equipment and various other miscellaneous equipment
“Finance Lease Agreement”	the finance lease agreement entered into between Rongzhong PRC and the Lessee dated 15 May 2015, pursuant to which Rongzhong PRC agreed to purchase the Equipment from the Lessee and lease it back to the Lessee
“Finance Lease Agreements”	the Finance Lease Agreement, the Finance Lease Supplemental Agreement I and the Finance Lease Supplemental Agreement II
“Finance Lease Supplemental Agreement I”	the finance lease supplemental agreement entered into between Rongzhong PRC and the Lessee dated 20 May 2017, pursuant to which Rongzhong PRC agreed to supplement and vary certain repayment terms to the Finance Lease Agreement
“Finance Lease Supplemental Agreement II”	the finance lease supplemental agreement entered into between Rongzhong PRC and the Lessee dated 28 March 2019, pursuant to which Rongzhong PRC agreed to extend the repayment lease term for twenty-four (24) months
“Group”	the Company and its subsidiaries
“Guarantee Agreement”	the guarantee agreement entered into between Rongzhong PRC and Wuhan Rongzhong Guarantee dated 15 May 2015, pursuant to which Wuhan Rongzhong Guarantee agreed to provide certain guarantee in favour of Rongzhong PRC in respect of the Lessee’s obligations under the Finance Lease Agreement
“Guarantee Supplemental Agreement”	the guarantee supplemental agreement entered into between Rongzhong PRC and Wuhan Rongzhong Guarantee dated 28 March 2019, pursuant to which Wuhan Rongzhong Guarantee agreed to provide certain guarantee in favour of Rongzhong PRC in respect of the Lessee’s obligations under the Finance Lease Agreements
“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
“Independent Third Party”	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 principal business of domestic and international shipping and logistic operations
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overall Finance Lease Arrangement Confirmation Agreement”	the confirmation agreement entered into between Rongzhong PRC, Lessee, Wuhan Rongzhong Guarantee, the Beneficial Owners and the Corporate Guarantors dated 15 May 2015, pursuant to which each of the relevant parties confirmed, amongst other things, each of their respective obligations under the Finance Lease Agreement, the Wuhan Rongzhong Guarantee Service Agreement, the Beneficial Owner Counter-guarantee Agreements, the Corporate Guarantor Counter-guarantee Agreements and the Pledge Asset Agreement respectively in relation to the Finance Lease Agreement
“PBOC Rate”	the benchmark interest rate promulgated by the People’s Bank of China for RMB loans
“Percentage Ratio(s)”	the percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction
“Pledge Asset Agreement”	the pledge asset agreement entered into between Wuhan Rongzhong Guarantee and Corporate Guarantor IV dated 15 May 2015, pursuant to which the Corporate Guarantor IV agreed to pledge certain assets to Wuhan Rongzhong Guarantee for its provision of guarantee service to the Lessee in favour of Rongzhong PRC in relation to the Finance Lease Agreement
“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
“Rongzhong PRC”	Rongzhong International Financial Leasing Co., Ltd. (融眾國際融資租賃有限公司), a limited liability company incorporated in the PRC and a wholly own subsidiary of the Company

“Shareholder(s)”	the holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wuhan Rongzhong Guarantee Service Agreement”	the guarantee agreement entered into between Wuhan Rongzhong Guarantee and the Lessee dated 15 May 2015, pursuant to which Wuhan Rongzhong Guarantee agreed to provide certain guarantee in favour of Rongzhong PRC in respect of the Lessee’s obligations under the Finance Lease Agreement
“Wuhan Rongzhong Guarantee”	Wuhan Rongzhong Investment Guarantee Company Limited, a limited liability company established in the PRC with principal business in the provision of guarantee services, it is also a wholly-owned subsidiary of Rongzhong Capital Investments Group Limited which is a joint venture of the Company’s major shareholder and therefore are connected persons 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: RMB0.88*

*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, 28 March 2019

*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 and Ms. Wong Jacqueline Yue Yee and the independent non-executive Directors of the Company are Mr. Duan Changfeng, Mr. Yu Yang and Ms. Zou Lin.*