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 2023

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 2023 (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 2023

		Six months ended 30 September	
	Notes	**2023**	2022
		HK$'000	*HK$'000*
		(Unaudited)	(Unaudited)
Revenue	*3*	**49,197**	45,509
Other income		**41**	467
Cost of sales and services		**(24,790)**	(21,293)
Other gains and losses		**2,072**	1,607
Staff costs		**(13,448)**	(14,031)
Reversal of/(provision of) impairment losses and expected credit losses		**14**	(7,525)
Other operating expenses		**(8,362)**	(9,382)
Finance costs	*4*	**(3,421)**	(17,667)
Profit/(loss) before tax		**1,303**	(22,315)
Income tax expense	*5*	**(10)**	(8)
Profit/(loss) for the period	*6*	**1,293**	(22,323)
Other comprehensive (expense)/income			
Item that will not be reclassified to profit or loss:			
Exchange differences on translation from functional currency to presentation currency		**(418)**	68,675
Total comprehensive income for the period		**875**	46,352
(Loss)/profit for the period attributable to:			
Owners of the Company		**(1,232)**	(23,292)
Non-controlling interests		**2,525**	969
		1,293	(22,323)
Total comprehensive (expense)/income attributable to:			
Owners of the Company		**(1,246)**	46,101
Non-controlling interests		**2,121**	251
		875	46,352
Loss per share			
Basic *(HK cents)*	*8*	**(0.29)**	(5.65)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2023

	Notes	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	*9*	**49,437**	59,206
Deposits		**178**	544
Goodwill		**9,000**	9,273
		58,615	69,023
Current assets			
Lease receivables and receivables arising from sale and leaseback arrangements	*10*	**2,174**	4,545
Trade receivables	*11*	**8,641**	4,765
Prepayments and other receivables		**1,367**	727
Cash and cash equivalents		**15,269**	14,575
		27,451	24,612
Current liabilities			
Trade payables	*12*	**249**	130
Deposits from customers		**8,197**	10,579
Other payables and accrued charges		**5,875**	5,804
Contract liabilities		**4,573**	4,551
Lease liabilities		**2,119**	2,357
Tax liabilities		**1,091**	1,446
Bank borrowings	*13*	**1,261**	1,242
Amount due to a related company		**23,933**	29,102
Amount due to a shareholder		**1,284**	334
Derivative financial liabilities		**–**	8,326
		48,582	63,871
Net current liabilities		**(21,131)**	(39,259)
Total assets less current liabilities		**37,484**	29,764

	Notes	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Non-current liabilities			
Lease liabilities		**816**	959
Convertible bonds		**2,033**	2,692
Derivative financial liabilities		**4,479**	1,285
Loan note		**11,599**	10,252
Bank borrowings	*13*	**1,413**	2,047
Amount due to a related company		**10,189**	14,061
Amount due to a shareholder		**25,073**	21,000
Contingent consideration payables		**2,407**	2,468
		58,009	54,764
Net liabilities		**(20,525)**	(25,000)
EQUITY			
Equity attributable to owners of the Company			
Share capital		**4,208**	4,125
Deficit		**(33,143)**	(35,414)
		(28,935)	(31,289)
Non-controlling interests		**8,410**	6,289
Capital deficiency		**(20,525)**	(25,000)

NOTES

For the six months ended 30 September 2023

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 ("**HKAS 34**") "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Going concern basis

As at 30 September 2023, the Group had net current liabilities and net liabilities of approximately HK$21,131,000 and HK$20,525,000 respectively, whereas its cash and cash equivalents maintained was approximately HK$15,269,000 only as at the same date. Besides, the Group also had bank borrowings of approximately HK$1,261,000, amount due to a related company of approximately HK$23,933,000 and amount due to a shareholder of approximately HK$1,284,000, respectively, that were repayable within 12 months after the end of the reporting period.

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 eighteen 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) Obtaining new source of finance to improve working capital requirements

The Company and Goldbond Group Holdings Limited ("**Goldbond**"), a substantial shareholder with significant influence of the Company, entered into a loan agreement pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK$50,000,000 to fund the general working capital of the Company, (the "**Goldbond Loan Agreement**"), and its maturity date is 20 October 2024. The Group also renewed loan facility from a related company, with an aggregate facilities amount of RMB40,000,000 (equivalent to approximately HK$43,478,000), and its maturity will be on 1 July 2024. As at 30 September 2023 and the date of issuance of this interim results announcement, the total facilities amount of HK$35,634,000 and HK$32,946,000, respectively, as stand-by unutilised and available facilities. Besides, the directors of the Company are also negotiating and obtaining new loan facilities with other sources of finance when necessary.

(ii) Successful execution of a subscription agreement and capitalisation of certain specified liabilities

The Group could improve its financial position upon successful execution of the share subscription agreement between the Company and Goldbond, in which certain number of shares of the Company to be further issued so as to offset against the certain liabilities of the Group, including the outstanding carrying amount due to Goldbond by the Company of approximately HK$26,357,000 and outstanding carrying amount of unsecured loan note of HK$11,599,000 issued by the Company to Goldbond with the principal amount of approximately HK$13.2 million (carried at a coupon rate of 4.58% per annum with the maturity date falling on 3 March 2025) and the related accrued and unpaid interests. For details, please refer to the Company and Goldbond's joint announcements dated 30 October 2023 and 20 November 2023; and

(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.

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 interim results 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 interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values, as appropriate.

The accounting policies and methods of computation used in the interim condensed consolidated financial statements for the six months ended 30 September 2023 are the same as those presented in the Group's annual financial statements for the year ended 31 March 2023.

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 2023.

Application of amendments to Hong Kong Financial Reporting Standards ("HKFRSs")

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the Group's annual period beginning on 1 April 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two Model Rules

The application of the new and amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

New HKICPA guidance on the accounting implications of the abolition of the MPF-LSP offsetting mechanism

In June 2022, the Government of the Hong Kong SAR (the "**Government**") gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "**Amendment Ordinance**"), which will eventually abolish the statutory right of an employer to reduce its long service payment ("**LSP**") and severance payment payable to a Hong Kong employee by drawing on its mandatory contributions to the mandatory provident fund ("**MPF**") scheme (also known as the "**offsetting mechanism**"). The Government has subsequently announced that the Amendment Ordinance will come into effect from 1 May 2025 (the "**Transition Date**"). Separately, the Government is also expected to introduce a subsidy scheme to assist employers after the abolition.

In July 2023, the HKICPA published "Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong" that provides guidance on the accounting considerations relating to the offsetting mechanism and the abolition of the mechanism.

The Group has assessed the implications of this new guidance on the above accounting policies and has decided to change those accounting policies to conform with the guidance. Management has commenced the processes on implementing the change including additional data collection and impact assessment. However, the impact of the change is not reasonably estimable at the time the interim results announcement is authorised for issue, as the Group has yet to fully complete its assessment of the impact of the HKICPA guidance.

3. REVENUE AND SEGMENT INFORMATION

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

(1) Leasing services – providing leasing services including:

– direct leasing – sale and leaseback and operating leasing services in the PRC

– operating lease – providing operating lease of motor vehicles services in the PRC

(2) Debt collection and credit investigation services – providing debt collection services and credit investigation services in Hong Kong, the PRC and Singapore

(a) Segment revenue and results

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

For the six months ended 30 September 2023 (unaudited)

	Leasing services *HK$'000*	Debt collection and credit investigation services *HK$'000*	Total *HK$'000*
Segment revenue			
Revenue from external customers	**24,045**	**25,152**	**49,197**
Segment results excluding provision of expected credit losses recognised on lease receivables and receivables arising from sale and leaseback arrangements and trade receivables	**1,172**	**4,577**	**5,749**
Reversal of/(provision of) expected credit losses recognised on lease receivables and receivables arising from sale and leaseback arrangements and trade receivables	**397**	**(383)**	**14**
Segment results	**1,569**	**4,194**	**5,763**
Unallocated:			
Other gains and losses			**2,084**
Staff costs			**(1,728)**
Other operating expenses			**(2,446)**
Finance costs			**(2,370)**
Profit before tax			**1,303**

For the six months ended 30 September 2022 (unaudited)

	Leasing services *HK$'000*	Debt collection and credit investigation services *HK$'000*	Total *HK$'000*
Segment revenue			
Revenue from external customers	26,783	18,726	45,509
Segment results excluding provision of expected credit losses recognised on lease receivables and receivables arising from sale and leaseback arrangements and trade receivables and impairment losses recognised on goodwill	(10,726)	(1,769)	(12,495)
Provision of expected credit losses recognised on lease receivables and receivables arising from sale and leaseback arrangements and trade receivables	(1,177)	(89)	(1,266)
Impairment losses recognised on goodwill	–	(5,998)	(5,998)
Segment results	(11,903)	(7,856)	(19,759)
Unallocated:			
Other income			65
Other gains and losses			1,504
Staff costs			(1,807)
Other operating expenses			(1,496)
Finance costs			(822)
Loss before tax			(22,315)

(b) Segment assets and liabilities

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

	30 September 2023 *HK$'000* **(Unaudited)**	31 March 2023 *HK$'000* (Audited)
Segment assets		
Leasing services	**66,759**	77,222
Debt collection and credit investigation services	**19,251**	16,199
Total segment assets	**86,010**	93,421
Unallocated assets	**56**	214
Total assets	**86,066**	93,635
Segment liabilities		
Leasing services	**43,521**	54,509
Debt collection and credit investigation services	**15,087**	16,135
Total segment liabilities	**58,608**	70,644
Unallocated liabilities	**47,983**	47,991
Total liabilities	**106,591**	118,635

(c) Revenue from major services

The following is an analysis of the Group's revenue from its major services:

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Income from debt collection services	**16,300**	7,418
Income from credit investigation services	**8,852**	11,308
Income from sales of motor vehicles	**9,877**	9,890
Revenue from contracts with customers	**35,029**	28,616
Rental income	**14,001**	14,285
Interest income arising from sale and leaseback arrangements	**167**	2,608
	49,197	45,509
Revenue from contracts with customers		
At a point in time	**34,916**	28,495
Transferred over time	**113**	121
	35,029	28,616

4. FINANCE COSTS

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on amount due to a related company	**918**	1,144
Interest on amount due to a shareholder	**690**	406
Interest on lease liabilities	**75**	118
Interest on bank borrowings of Alpha & Leader Risks and Assets Management Company Limited and its subsidiaries (collectively referred to as the "**Alpha & Leader Group**")	**53**	58
Interest on bank borrowings of Rongzhong Capital Holdings Limited (a then subsidiary of the Company) and its subsidiaries	**–**	15,525
Interest on amount due to the non-controlling substantial shareholders of the Alpha & Leader Group	**5**	–
Imputed interest on loan note	**1,347**	341
Imputed interest on convertible bonds	**333**	75
	3,421	17,667

5. INCOME TAX EXPENSE

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Enterprise Income Tax in the PRC		
Current tax	**10**	26
Overprovision in prior year	**–**	(18)
Income tax expense	**10**	8

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 the six months ended 30 September 2023 and 2022.

Pursuant to the approval of the tax bureau, in accordance with the Enterprise Income Tax Law of PRC (the "**EIT Law**") and the Implementation Regulation of the EIT Law, one (six months ended 30 September 2022: one) subsidiary is subject to the tax rate of 20% on 25% (six months ended 30 September 2022: 20% on 12.5%) of assessable profits, which assessable profits under RMB3,000,000 (six months ended 30 September 2022: RMB1,000,000), for Small Low-Profit Enterprises. Other subsidiaries located in the PRC are subject to the PRC Enterprise Income Tax at a rate of 25% (six months ended 30 September 2022: 25%) on their assessable profits.

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 2023 and 2022.

6. PROFIT/(LOSS) FOR THE PERIOD

Profit/(loss) for the period has been arrived at after charging:

	Six months ended 30 September	
	2023	2022
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Directors' remuneration	**1,146**	1,159
Other staff costs		
– Salaries, allowances and other staff benefits	**11,750**	12,324
– Staff's retirement benefit scheme contributions	**537**	533
– Staff's equity-settled share-based payments	**15**	15
Total staff costs	**13,448**	14,031
Depreciation of motor vehicles for rent (included in cost of sales and services)	**4,578**	4,924
Depreciation of other property, plant and equipment (included in other operating expenses)	**1,392**	1,428
Depreciation of property, plant and equipment	**5,970**	6,352
Loss on disposal of property, plant and equipment (included in cost of sales and services)	**4,404**	1,520
Short-term lease expenses	**718**	54

7. DIVIDENDS

No dividends were paid, declared or proposed for ordinary shareholders of the Company during the six months ended 30 September 2023, nor has any dividend been proposed since the end of the reporting period (six months ended 30 September 2022: nil).

8. LOSS PER SHARE

	Six months ended 30 September	
	2023	2022
	(Unaudited)	(Unaudited)
Loss:		
Loss for the period attributable to owners of the Company for the purpose of basic loss per share *(HK$'000)*	**(1,232)**	(23,292)
Number of shares:		
Weighted average number of ordinary shares in issue for the purpose of basic loss per share *(in thousands)*	**420,759**	412,509

The basic loss per share is calculated based on the loss attributable to owners of the Company and the weighted average number of ordinary shares in issue for the six months ended 30 September 2023 and 2022.

The calculation of basic loss per share for the six months ended 30 September 2023 and 2022 did not assume the conversion of the Company's outstanding convertible bonds nor the exercise of the Company's outstanding share options as the assumed conversion would result in a decrease in loss per share and the exercise price of those options is higher than the average market price for shares.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired property, plant and equipment with a cost of approximately HK$11,674,000 (six months ended 30 September 2022: HK$16,234,000) and disposed of property, plant and equipment with an aggregate carrying amount of approximately HK$14,281,000 (six months ended 30 September 2022: HK$11,430,000).

During the six months ended 30 September 2023, additions to right-of-use assets were approximately HK$1,021,000 (six months ended 30 September 2022: HK$192,000).

10. LEASE RECEIVABLES AND RECEIVABLES ARISING FROM SALE AND LEASEBACK ARRANGEMENTS

The Group provides financial leasing services in the PRC.

	30 September 2023	31 March 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Lease receivables	**–**	–
Receivables arising from sale and leaseback arrangements	**2,174**	4,545
	2,174	4,545

	Minimum lease payments	
	30 September 2023	31 March 2023
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Lease receivables and receivables arising from sale and leaseback arrangements comprise:		
Within one year	**434,196**	456,659
In more than one year but not more than two years	**20,167**	21,084
In more than two years but not more than three years	**34,917**	19,057
In more than three years but not more than four years	**326**	17,788
	489,606	514,588
Less: unearned finance income	**(7,880)**	(8,238)
	481,726	506,350
Less: impairment allowance	**(479,552)**	(501,805)
	2,174	4,545
Analysed for reporting purposes as:		
Current assets	**2,174**	4,545

The Group's lease receivables and receivables arising from sale and leaseback arrangements are denominated in RMB which is the functional currency of the relevant group entity. The effective interest rates of the above lease receivables and receivables arising from sale and leaseback arrangements range mainly from 8.3% to 15.4% per annum as at 30 September 2023 and 31 March 2023.

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

Lease receivables and receivables arising from sale and leaseback arrangements were considered credit-impaired when the customers fail to settle according to the settlement terms for more than 90 days after taking into consideration the recoverability of collateral and deposits. As at 30 September 2023, the gross carrying amounts of lease receivables and receivables arising from sale and leaseback arrangements of HK$479,552,000 (31 March 2023: HK$501,350,000) were determined to be impaired under the lifetime expected credit losses. The lifetime expected credit losses of impaired receivables are related to those credit exposures where there has been a significant increase in credit risk since initial recognition, which the loss allowance is required for credit losses expected over the remaining life of the exposure irrespective of the timing of the default.

The carrying amount of receivables arising from sale and leaseback arrangements of HK$2,174,000 were fully received in October 2023.

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

	HK$'000
At 1 April 2022 (audited)	1,522,838
Impairment losses recognised, net	77,647
Arising from disposal of subsidiaries	(957,476)
Exchange realignment	(141,204)
At 31 March 2023 (audited)	501,805
Reversal of impairment losses recognised, net	**(455)**
Exchange realignment	**(21,798)**
At 30 September 2023 (unaudited)	**479,552**

11. TRADE RECEIVABLES

	30 September 2023 ***HK$'000*** **(Unaudited)**	31 March 2023 *HK$'000* (Audited)
Trade receivables arising from debt collection and credit investigation services	**9,085**	4,460
Less: allowance for credit losses	**(860)**	(498)
Net trade receivables arising from debt collection and credit investigation services	**8,225**	3,962
Trade receivables arising from leasing services	**764**	1,109
Less: allowance for credit losses	**(348)**	(306)
Net trade receivables arising from leasing services	**416**	803
Total trade receivables, net of allowance for expected credit losses	**8,641**	4,765

The following is an aged analysis of trade receivables net of allowance for credit losses presented based on the invoice dates.

	30 September 2023 ***HK$'000*** **(Unaudited)**	31 March 2023 *HK$'000* (Audited)
0 to 30 days	**5,764**	3,093
31 to 60 days	**666**	620
61 to 90 days	**292**	306
Over 90 days	**1,919**	746
	8,641	4,765

The credit terms of the trade receivables for debt collection and credit investigation services 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.

For leasing services, the customers are obliged to settle the amounts according to the terms set out in relevant contracts and, normally, no credit period was granted to customers.

As at 30 September 2023, included in the Group's trade receivables balance are debtors with aggregate carrying amount of HK$2,533,000 (31 March 2023: HK$1,682,000) which are past due as at the reporting date. Out of the past due balances, HK$1,919,000 (31 March 2023: HK$746,000) has been past due 90 days or more and is not considered as in default.

Movement of the provision for impairment losses on trade receivables is as follows:

	HK$'000
At 1 April 2022 (audited)	688
Impairment losses recognised	179
Exchange realignment	(63)
At 31 March 2023 (audited)	804
Impairment losses recognised	**441**
Exchange realignment	**(37)**
At 30 September 2023 (unaudited)	**1,208**

12. TRADE PAYABLES

The following is an aged analysis of trade payable presented based on the invoice dates.

	30 September 2023 *HK$'000* **(Unaudited)**	31 March 2023 *HK$'000* (Audited)
0 to 30 days	**75**	63
31 to 60 days	**13**	5
61 to 90 days	**4**	22
Over 90 days	**157**	40
	249	130

13. BANK BORROWINGS

	30 September 2023 HK$'000 (Unaudited)	31 March 2023 HK$'000 (Audited)
Unsecured variable-rate borrowings	**2,674**	3,289
The carrying amounts of the above borrowings are repayable*:		
Within one year	**1,261**	1,242
Within a period of more than one year but not exceeding two years	**1,251**	1,284
Within a period of more than two years but not exceeding five years	**162**	763
	2,674	3,289
Less: amounts shown under current liabilities	**(1,261)**	(1,242)
Amounts shown under non-current liabilities	**1,413**	2,047

* *The amounts due are based on scheduled repayment dates set out in the loan agreements.*

As at 30 September 2023, the Group's bank borrowings only represented the borrowings from the Alpha & Leader Group with carrying amount of approximately HK$2,674,000 (31 March 2023: HK$3,289,000) which were guaranteed by the non-controlling substantial shareholders of Alpha & Leader Group.

As at 30 September 2023, the Group's variable-rate borrowings carry interest at the rate of 3.625% (31 March 2023: 3.38%) per annum.

The Group's bank borrowings are denominated in HK$ which are the functional currency of the relevant group entity.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

During the Reporting Period, the Group continued the implementation of its business strategies to (i) enhance synergies across multiple platforms within our ecosystem in order to further develop the Group's leasing business; (ii) diversify the Group's business risks through the granting of loans in smaller loan size with more liquid lease assets; and (iii) diversify geographical risk through the expansion of its operating locations; which in turn will provide sustainable sources of revenue to the Group while diversifying the Group's business risks, enhancing its financial performance and creating value for the shareholders of the Company.

The Group is principally engaged in the provision of (1) leasing services in the People's Republic of China ("**PRC**") and (2) value-added services including due diligence, credit assessment, investigation and debt collection services in Hong Kong, the PRC and Singapore.

Leasing services

The Group conducts its leasing services in various cities across the PRC covering cities of Huzhou, Jiaxing, Ningbo, Shaoxing, Shenzhen, Taizhou, Wenzhou and Wuhan. The Group as the lessor generates lease income by delivery of leased assets to its lessees who make periodic lease payments to the Group.

Credit investigation and debt collection services

To further strengthen the Group's leasing operations, we have complemented our leasing operations with value-added services including due diligence, credit assessment, investigation and debt recovery services. Often, business and credit risks are caused by asymmetry and discrepancies of information, hence, credit investigation and debt recovery would serve as the front end and back end in any business transactions. Leveraging on the Group's expertise in credit assessment and investigation, the Group has access to the latest information such as credit status, financial information and social credit ratings of potential leasing customers. Due diligence and 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, scoring results and recommendations to clients as well as the Group prior to entering into any potential business transactions. These information are used to assist the process of customer selection, as well as the selection of transaction models and determining transaction conditions.

Debt collection services are provided for past due commercial accounts receivables ranging from 3 to 12 months, this is a non-litigation service that enables creditors to recover 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 additional non-recoverable debts. Credit assessment, investigation and debt collection services are both part of an integral value-added service enabling the Group to further develop our leasing business.

FINANCIAL REVIEW

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

Revenue

During the Reporting Period, the Group recorded revenue of approximately HK$49.2 million, representing an increase of approximately 8.1% from approximately HK$45.5 million recorded in the previous corresponding period ended 30 September 2022. The increase in revenue was due to the Group's effective implementation of its strategic move to expand into new operating locations and initiation to process loans with more liquid assets and generally smaller in loan size, hence, minimizing credit risk while increasing activities in leasing operations. To complement the development of the Group's leasing service, the Group provides value-added services including due diligence, credit assessment, investigation and debt recovery services, so as to further strengthen the Group's leasing operations by creating an ecosystem which in turn contributed approximately HK$25.2 million to the Group's revenue during the Reporting Period. Services fees for due diligence and credit investigation services are charged based on the agreed upon scope covering the number of search targets, search period and the complexity of obtaining the relevant search information. 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.

Staff costs

Staff costs of the Group amounted to approximately HK$13.4 million for the Reporting Period, representing a decrease of approximately 4.2% from approximately HK$14.0 million recorded in the previous corresponding period ended 30 September 2022. This was mainly due to decrease in the number of staff in the Group.

Other operating expenses

During the Reporting Period, other operating expenses of the Group amounted to approximately HK$8.4 million, representing a decrease of approximately 10.9% from approximately HK$9.4 million recorded in the previous corresponding period ended 30 September 2022. This was mainly due to the decrease in other operating expenses resulting from implementation of active cost-saving measures.

Reversal of/(provision of) impairment losses and expected credit losses

Reversal of impairment losses and expected credit losses are approximately HK$14,000 for the Reporting Period. This was mainly due to changes in recoverability of certain lease receivables and receivables arising from sale and leaseback arrangements. In the previous corresponding period ended 30 September 2022, provision of impairment losses and expected credit losses amounted to approximately HK$7.5 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$41,000, representing a decrease of approximately 91.2% from approximately HK$467,000 recorded in the previous corresponding period ended 30 September 2022. Such a decrease was mainly due to the decrease in government subsidies.

Finance costs

Finance costs of the Group comprised of interest on bank borrowings, interest on amount due to the non-controlling substantial shareholder of the Alpha & Leader Group, imputed interest on convertible bonds, imputed interest on loan note, interest on lease liabilities, interest on amount due to a related company and interest on amount due to a shareholder. During the Reporting Period, finance costs of the Group amounted to approximately HK$3.4 million, representing a decrease of approximately 80.6% from approximately HK$17.7 million in the previous corresponding period ended 30 September 2022. This was mainly due to the decrease in the Group's borrowings and financing activities.

As at 30 September 2023, the outstanding bank borrowings guaranteed by related parties amounted to nil (30 September 2022: approximately HK$649.0 million) and the guarantee fee paid to the related parties during the Reporting Period amounted to nil (six months ended 30 September 2022: nil).

Profit for the period

Profit for the period of the Company amounted to approximately HK$1.3 million for the Reporting Period. This was mainly due to the decrease in provision of impairment losses and expected credit losses. In the previous corresponding period ended 30 September 2022, loss for the period amounted to approximately HK$22.3 million.

Interim dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2023 (six months ended 30 September 2022: nil).

Liquidity, financial resources and capital resources

As at 30 September 2023, the aggregate sum of the Group's cash and cash equivalents amounted to approximately HK$15.3 million (31 March 2023: approximately HK$14.6 million), representing an increase of approximately HK$0.7 million compared to 31 March 2023. This was due to a combination of multiple effects including the Group's conservative strategy to promote business, collection of past due financial assets and use of internal funding. The working capital deficiency (current assets less current liabilities) of the Group was approximately HK$21.1 million as at 30 September 2023 (31 March 2023: working capital deficiency approximately HK$39.3 million). The capital deficiency of the Group was approximately HK$20.5 million as at 30 September 2023 (31 March 2023: approximately HK$25.0 million).

As at 30 September 2023, the Group's bank borrowings with maturity within one year amounted to approximately HK$1.3 million (31 March 2023: approximately HK$1.2 million) and the Group's bank borrowings with maturity that exceeded one year amounted to approximately HK$1.4 million (31 March 2023: approximately HK$2.0 million). For particulars of bank borrowings of the Group as at 30 September 2023, please refer to note 13 to the interim condensed consolidated financial statements.

Our gearing ratio (total bank borrowings/total equity) as at 30 September 2023 was not applicable (31 March 2023: not applicable).

Charges on group assets

As at 30 September 2023, the Group did not have any mortgages, charges and pledges over the Group's assets (31 March 2023: nil).

Capital commitments

As at 30 September 2023, the Group had no capital commitments (31 March 2023: nil).

Employees and remuneration policy

As at 30 September 2023, the Group had 130 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 the 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 fortified 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 business is positioned to fulfill the financing needs of SMEs and individuals, the sustainability of our business and future growth depend on our ability to manage our credit risk effectively. The Group is committed to mitigate its risk exposures and diversification of business risks through liquid and smaller loan size. As such, any deterioration in our asset quality or collectability of our lease receivables and receivables arising from leasing arrangements could adversely affect our business, prospects and financial conditions. Due to the continuation of downturn economic pressure arised from external environment uncertainties and business disruption due to the effects of the novel coronavirus, the recovery of economic environment being less than ideal, it is inevitable for some corporations to be faced with a greater risk of default, especially the SMEs. As most SMEs customers in general have less financial resources in terms of capital or fund raising capability when compared to larger corporations, and as such they are more likely to be adversely affected by changes in market conditions, which poses an increasing risk of default to our Group. Our management has been monitoring the changes of our customers' credit risk, and we had, in fact, in some cases requested additional collaterals and pledged assets from customers as a form of additional precautionary measures. We will continue to closely monitor the value of the related leased assets and the collaterals securing our leases in order to take effective additional precautionary measures to minimize our risk of exposure to such credit risks.

Risk relating to funding sources and interest rate

Our 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 rate and in turn charge our clients by the same amount in order to minimize our risk of exposure to such interest rate risks.

Foreign exchange risk

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, other payables and accrued charges, promissory note, derivative financial liability, contingent consideration 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 2023, the Group did not have any material contingent liabilities (31 March 2023: nil) except for the contingent consideration payables as set out in the condensed consolidated statement of financial position.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group from time to time is exploring investment opportunities that would benefit the shareholders of the Company as a whole. Saved as disclosed in this announcement, the Group did not have other material acquisition or disposals by the Group during the Reporting Period and up to the date of this announcement.

APPOINTMENT OF DIRECTORS

With effect from 28 April 2023:

i. Mr. Lau Hiu Fung ("**Mr. Lau**") has been appointed as a non-executive Director; and

ii. Mr. Ng Yuk Yeung Paul ("**Mr. Paul Ng**") has been appointed as an independent non-executive Director.

With effect from 28 April 2023, the composition of the Board committees has been changed as follows:

1. Mr. Lau has been appointed as a member of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee of the Company;

2. Mr. Paul Ng has been appointed as a member of the Audit Committee, a member of the Nomination Committee and a member of Remuneration Committee; and

3. Mr. Lie Chi Wing ("**Mr. Lie**"), an existing Independent Non-executive Director, has been appointed as the chairman of the Audit Committee.

For details, please refer to the Company's announcement dated 28 April 2023.

EVENTS AFTER THE PERIOD UNDER REVIEW

Expressions used in the section headed “The Acquisition and the Subscription” shall have the same meanings given to them in Company’s joint announcement date 30 October 2023, jointly issued by the Company and Goldbond.

The Acquisition and the Subscription

On 30 October 2023 (after trading hours), Goldbond, a substantial shareholder with significant influence of the Group (as vendor) and the Company (as purchaser) entered into the Acquisition Agreement, pursuant to which the Company conditionally agreed to acquire, and Goldbond conditionally agreed to sell the Acquisition Shares, representing 49% of the issued share capital in the Target Company (a non wholly-owned subsidiary of the Company), at the consideration of HK$17,500,000 which will be satisfied by the issue and allotment of the Consideration Shares to the Offeror. Upon Acquisition Completion, the Target Company will become a wholly-owned subsidiary of the Company.

In addition, on 30 October 2023 (after trading hours), Goldbond (as subscriber) and the Company (as issuer) entered into the Subscription Agreement, pursuant to which Goldbond conditionally agreed to subscribe for, and the Company conditionally agreed to issue and allot the Subscription Shares at the Subscription Price of HK$0.38 in which the aggregate consideration payable by Goldbond will be satisfied by way of setting off against the Loan Capitalisation Amount.

Acquisition Completion and Subscription Completion are inter-conditional upon each other and shall take place simultaneously.

For details, please refer to the joint announcement dated 30 October 2023 jointly issued by the Company and Goldbond.

ADDITIONAL INFORMATION

In respect of “Going concern basis”

As explained in note 1 to the interim condensed consolidated financial statements, notwithstanding that the Group’s consolidated financial statements for the period ended 30 September 2023 have been prepared on a going concern basis, there are conditions together with other matters described there indicate the existence of material uncertainties which may cast significant doubt about the Group’s ability to continue as a going concern. In view of such conditions, the Company has given careful consideration to the Group’s current liquidity, performance and available resources in considering the Group’s ability to continue as a going concern. The Company has taken and will continue to implement the measures as further detailed in note 1 to the interim condensed consolidated financial statements. Based on the plans and measures, the directors of the Company are of the opinion that the Group will have sufficient working capital to satisfy its requirements for at least the next twelve months from the date of this announcement and, accordingly, the directors of the Company are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Action plan to address the material uncertainties relating to going concern

The Company had taken and continue to implement the measures as further detailed in note 1 to the interim condensed consolidated financial statements and listed below:

(i) Obtaining new source of finance to improve working capital requirements

The Company and Goldbond Group Holdings Limited ("**Goldbond**"), a substantial shareholder with significant influence of the Company, entered into a loan agreement pursuant to which Goldbond agreed to make available to the Company an unsecured term loan facility in an aggregate amount of HK$50,000,000 to fund the general working capital of the Company, (the "**Goldbond Loan Agreement**"), and its maturity date is 20 October 2024. The Group also renewed loan facility from a related company, with an aggregate facilities amount of RMB40,000,000 (equivalent to approximately HK$43,478,000), and its maturity will be on 1 July 2024. As at 30 September 2023 and the date of issuance of this interim results announcement, the total facilities amount of HK$35,634,000 and HK$32,946,000, respectively, as stand-by unutilised and available facilities. Besides, the directors of the Company are also negotiating and obtaining new loan facilities with other sources of finance when necessary.

(ii) Successful execution of a subscription agreement and capitalisation of certain specified liabilities

The Group could improve its financial position upon successful execution of the share subscription agreement between the Company and Goldbond, in which certain number of shares of the Company to be further issued so as to offset against the certain liabilities of the Group, including the outstanding carrying amount due to Goldbond by the Company of approximately HK$26,357,000 and outstanding carrying amount of unsecured loan note of HK$11,599,000 issued by the Company to Goldbond with the principal amount of approximately HK$13.2 million (carried at a coupon rate of 4.58% per annum with the maturity date falling on 3 March 2025) and the related accrued and unpaid interests. For details, please refer to the Company and Goldbond's joint announcements dated 30 October 2023 and 20 November 2023; and

(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.

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.

BUSINESS REVIEW AND PROSPECTS

During the Reporting Period, the Group continued to make strides in implementing its strategic plan initiated in the previous year and have continued to expand our leasing operations in the PRC and established a stronger presence in multiple locations. This expansion has allowed us to diversify our business risks and tap into new markets, further strengthening our position in the industry. In addition to our leasing operations, the Group has continued to enhance its ecosystem by providing value-added services such as credit assessment, investigation, and debt recovery services. These services not only complement our leasing operations but also generate additional revenue streams, they also contribute to the Group's overall growth and operational synergies. While achieving synergies across multiple platforms, the Group will continue to focus on our business with generally smaller loan amounts and more diversified business risks during the current economic downturn, and thereby enhancing the Group's efficiency and profitability.

Looking forward, while there has seen some improvement in the Group's operation, the lingering effects of the downturn economy due to pandemic and external environment instability have continued to impact our operations, including the financial conditions and cash flow of our leasing customers. Despite these challenges, the Group has remained resilient and will maintain its commitment to expanding our leasing operations, recovering past due receivables, and further mitigating business risks. The Board recognizes the importance of diversifying income sources and will continue to explore opportunities to enhance and nurture synergies within our ecosystem. As the general economic environment in the PRC and the external environment uncertainties improve, we are confident in our ability to drive sustainable growth and generate value for our Shareholders.

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 C.2.2 to C.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 F.2.2 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 19 September 2023, 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.

Following the retirements of Mr. Yu Yang ("**Mr. Yu**") as the Independent Non-executive Directors with effect from the conclusion of the annual general meeting of the Company held on 31 October 2022 ("**2022 AGM**"), the Board has only two Independent Non-executive Director which fell short of the minimum number (namely three Independent Non-executive Directors) and proportion (namely one-third of the Board) as required under Rule 3.10(1) and Rule 3.10A of the Listing Rules.

The required composition of the Audit Committee, Remuneration Committee and Nomination Committee did not meet the requirements under Rule 3.21, Rule 3.25 and Rule 3.27A of the Listing Rules upon conclusion of the 2022 AGM:

i. the Audit Committee did not have a chairman and comprised of two non-executive Directors and two Independent Non-executive Directors, which failed to comply with the requirement of Rule 3.21 of the Listing Rules in respect of having a majority members being Independent Non-executive Directors;

ii. the Remuneration Committee comprised of two non-executive Directors and two Independent Non-executive Directors, which failed to comply with the requirement of Rule 3.25 of the Listing Rules in respect of having a majority members being Independent Non-executive Directors; and

iii. the Nomination Committee comprised of two non-executive Directors and two Independent Non-executive Directors, which failed to comply with the requirement of Rule 3.27A of the Listing Rules in respect of having a majority members being Independent Non-executive Directors.

With effect from 28 April 2023:

i. Mr. Lau Hiu Fung ("**Mr. Lau**") has been appointed as a non-executive Director; and

ii. Mr. Ng Yuk Yeung Paul ("**Mr. Paul Ng**") has been appointed as an independent non-executive Director.

With effect from 28 April 2023, the composition of the Board committees has been changed as follows:

1. Mr. Lau has been appointed as a member of the Audit Committee, a member of the Nomination Committee and a member of the Remuneration Committee of the Company;

2. Mr. Paul Ng has been appointed as a member of the Audit Committee, a member of the Nomination Committee and a member of Remuneration Committee; and

3. Mr. Lie Chi Wing ("**Mr. Lie**"), an existing Independent Non-executive Director, has been appointed as the chairman of the Audit Committee.

Following the appointments of Mr. Paul Ng, Mr. Lau and Mr. Lie, the Company is now in compliance with Rule 3.10(1), 3.10A, 3.21, 3.25 and 3.27A of the Listing Rules.

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 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 Articles. The Company recognizes and embraces the benefits of having a diverse 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 diverse 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 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 during the Reporting Period included but 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 consisted of two Non-executive Directors: Mr. Lau and Mr. Wong Ming Bun David; and three INEDs: Mr. Lie, Mr. Ng Wing Chung Vincent and Mr. Paul Ng. The chairman of the Audit Committee is Mr. Lie.

The unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 September 2023 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 Reporting Period.

PUBLICATION OF INFORMATION

This announcement is published on the websites of the Company (www.chinarzfh.com) and Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk). The unaudited interim report of the Company for the six months ended 30 September 2023 will be dispatched to shareholders of the Company and available on the above websites in due course.

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 27 September 2022. Based on the reason as disclosed in the Company's announcement dated 12 July 2023, the Board is of the view that all the Resumption Guidance has been fulfilled. Accordingly, the Company has made an application to the Stock Exchange for the resumption of trading in the shares of the Company with effect from 9:00 a.m. on 13 July 2023.

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

Hong Kong, 30 November 2023

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. Lau Hiu Fung, 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. Ng Yuk Yeung Paul.