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CHINA RONGZHONG FINANCIAL HOLDINGS COMPANY LIMITED
中國融眾金融控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 03963)

VOLUNTARY ANNOUNCEMENT
BUSINESS COOPERATION WITH BBMSL

This announcement is made by China Rongzhong Financial Holdings Company Limited on a voluntary basis.

INTRODUCTION

The Board is pleased to announce that on 26 February 2024, the Group and BBMSL entered into the Sale and Purchase Agreement and the Shareholders' Agreement for the purpose of carrying out a proposed collaboration with BBMSL. Set out below are summaries of the each of the Agreements.

(1) SALE AND PURCHASE AGREEMENT

On 26 February 2024, the Company entered into the Sale and Purchase Agreement with BBMSL, pursuant to which the Company has conditionally agreed to sell, and BBMSL has conditionally agreed to acquire, 49 Grand Field Shares representing 49% of the total issued share capital of Grand Field as at the date of this announcement.

Set out below is a summary of the principal terms of the Sale and Purchase Agreement:

Date

26 February 2024

Parties

- (a) the Company (as vendor)
- (b) BBMSL (as purchaser)

Assets to be disposed

Pursuant to the Sale and Purchase Agreement, the Company has conditionally agreed to sell, and BBMSL has conditionally agreed to acquire, 49 Grand Field Shares representing 49% of the total issued share capital of Grand Field as at the date of this announcement.

Consideration

The total consideration for the Disposal is HK\$6,000. The consideration of the Disposal was determined after arm's length negotiation between the Company and BBMSL having taken into account, among other things, the set-up costs of Grand Field and the net asset value of Grand Field as at 31 December 2023 and the date of the Sale and Purchase Agreement.

Grand Field is an investment holding company and is a direct wholly-owned subsidiary of the Company. As at the date of this announcement, Grand Field has not commenced any business and does not have any asset except for the nominal share capital of US\$100.

Conditions Precedent

Completion of the Disposal is subject to and conditional upon the following conditions precedent being fulfilled or waived (if applicable):

- (i) BBMSL being satisfied at its sole discretion with the results of the due diligence exercise on Grand Field, including but not limited to its respective businesses, assets, liabilities, operations, financial, legal or other status which BBMSL thinks necessary or appropriate to conduct;
- (ii) Grand Field having provided to BBMSL the management financial statements of Grand Field for the period commencing on 20 February 2023 (being the date of incorporation of the Grand Field) and ended on 31 January 2024;
- (iii) the Company having obtained all necessary authorisations (or waivers) and completed all necessary registrations and filings (if applicable) in relation to the Sale and Purchase Agreement and the transaction contemplated thereunder;
- (iv) there being no breach of any of the representations, warranties and undertakings given by the Company;
- (v) there not having occurred, in the sole opinion of BBMSL acting reasonably, any material adverse change; and
- (vi) there being no breach of any of the representations, warranties and undertakings given by BBMSL.

If all of the conditions precedent are not satisfied (or otherwise waived) on or before 31 March 2024 (or such other date as may be agreed in writing between the Company and BBMSL), either the Company or BBMSL shall be entitled to rescind the Sale and Purchase Agreement by giving written notice whereupon the Sale and Purchase Agreement shall be terminated, and neither the Company nor BBMSL shall have any claim against the other party for any costs, damages, compensation or otherwise in relation to the Sale and Purchase Agreement, except for the claims arising out of or in connection with any antecedent breach.

Completion of the Disposal

The completion of the Disposal shall take place within 10 business days after the fulfilment or waiver (if applicable) of all the conditions precedent as set out in the Sale and Purchase Agreement.

Following the completion of the Disposal, Grand Field will be owned as to 51% by the Company and 49% by BBMSL, respectively, and will be a non wholly-owned subsidiary of the Company.

(2) SHAREHOLDERS' AGREEMENT

On 26 February 2024, the Company, BBMSL and Grand Field entered into the Shareholders' Agreement in relation to the management and operation of Grand Field upon completion of the Disposal.

Set out below is a summary of the principal terms of the Shareholders' Agreement:

Date

26 February 2024

Parties

- (a) the Company
- (b) BBMSL
- (c) Grand Field

Business

The business of Grand Field shall include but not limited to provision of credit management services to money lenders in Hong Kong, including but not limited to (i) performing customers' due diligence on grants of loans and/or provision of finance lease services by the money lenders; and (ii) receiving service fees for the provision of credit management services. The parties to the Shareholders' Agreement agree that the existing business, business resources (in any form), customers, clients and future business opportunities that have arisen from Grand Field itself shall be vested in Grand Field.

Board of Directors

The business of Grand Field shall be managed by its board of directors. The Company shall be entitled to nominate and appoint up to three (3) persons as directors of Grand Field. BBMSL shall be entitled to nominate and appoint up to two (2) persons as directors of Grand Field.

Restriction on Disposals of Shares

Each of the Company and BBMSL shall not dispose of, pledge, mortgage or otherwise encumber its Grand Field Shares and/or its beneficial interests in Grand Field Shares except as permitted pursuant to the terms of the Shareholders' Agreement. A permitted transfer under the Shareholder's Agreement includes, among others, the transfer of Grand Field Shares between the Company and BBMSL and transfer of Grand Field Shares to third parties provided that certain steps have been followed.

Capital Commitment

There is no capital commitment (whether equity, loan or otherwise) required to be provided by the Company or BBMSL under the Shareholders' Agreement.

INFORMATION OF THE PARTIES

Grand Field

Grand Field is an investment holding company incorporated in the British Virgin Islands and is a direct wholly-owned subsidiary of the Company. As at the date of this announcement, Grand Field has not commenced any business.

BBMSL

BBMSL is a company incorporated in Hong Kong. BBMSL has positioned payment technology at the core of its operations. Initially operating as a wholly-owned subsidiary of the BBPOS Group (bbpos.com), BBMSL serves as a trusted electronic payment service provider for Visa, Mastercard, UnionPay, and other major payment networks, and acts as an acquirer for American Express, Alipay, and WeChat Pay. Their integration capabilities extend to payment methods including Apple Pay, Google Pay, Samsung Pay, BOC Pay, Huawei Pay, and Octopus. BBMSL provides a comprehensive suite of services encompassing offline-to-online payment system integration, transaction processing, collection management, settlement services, and tailored small and medium-sized business loan solutions. Currently, BBMSL serves an extensive portfolio of over 14,000 small and medium-sized business merchants in Hong Kong. To ensure the security and privacy standard, their electronic payment technologies are certified to comply with the industry PCI DSS standards.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, BBMSL, its beneficial owners and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

INFORMATION OF THE COMPANY AND REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Company is an investment holding company. The principal activities of the Group are provision of leasing services in the PRC, due diligence, debt collection and credit investigation services in the PRC, Hong Kong and Singapore.

The Sale and Purchase Agreement and the Shareholders' Agreement were entered into for the purpose of carrying out the proposed collaboration between the Group and BBMSL. Under the Agreements, BBMSL will become a strategic partner of the Group by acquiring 49% shareholding in Grand Field which will be a service provider to provide credit management services in Hong Kong. Each of the Company and BBMSL is expected to promote the business of Grand Field and to provide such technical and other assistance to Grand Field as is within its scope of expertise. While the Group had been actively expanding its leasing operations in the PRC, the Group recognizes the importance of diversifying income sources and had been exploring opportunities beyond the leasing industry to enhance the synergies across multiple platforms within our ecosystem. The Directors are of the view that the proposed collaboration with BBMSL as contemplated under the Agreements represents an opportunity for the Company to further diversify its business offerings and operations in multiple locations; while committing to further enhance and nurture synergies within our established ecosystem. The Directors believe that terms of Agreements are fair and reasonable and in the interests of the shareholders of the Company as a whole.

GENERAL

As all the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Agreements are below 5%, the transactions contemplated under the Agreements do not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Agreements”	the Sale and Purchase Agreement and the Shareholders’ Agreement
“BBMSL”	BBMSL Limited, a limited liability company incorporated in Hong Kong
“Board”	the board of Directors
“Company”	China Rongzhong Financial Holdings Company Limited, an exempted company incorporated in the Cayman Islands with limited liability and registered as a non-Hong Kong Company under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) whose issued Shares are listed on the Main Board of the Stock Exchange (Stock Code: 3963)
“connected person(s)”	has the meaning ascribed to this term under Chapter 14A of the Listing Rules
“Disposal”	the disposal of the 49 Grand Field Shares, representing 49% of the total issued share capital of Grand Field
“Directors”	the directors of the Company
“Grand Field”	Grand Field Ventures Limited, a limited liability company incorporated in the British Virgin Islands and a direct wholly owned subsidiary of the Company
“Grand Field Share(s)”	ordinary share(s) of nominal value of US\$1.00 each in the share capital of Grand Field
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Sale and Purchase Agreement”	the sale and purchase agreement dated 26 February 2024 and entered into between the Company in relation to the Disposal
“Shares”	ordinary shares of nominal value of US\$1.00 each in the share capital of the Target Company
“Shareholders”	shareholders of the Company
“Shareholders’ Agreement”	the shareholders’ Agreement dated 26 February 2024 and entered into between the Company, BBMSL and Grand Field in relation to the management and operation of Grand Field
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

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

Hong Kong, 26 February 2024

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.