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中金投集团

China Financial Services Holdings Ltd

China Financial Services Holdings Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 605)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 14 April 2023, the New Loan Agreement was entered into between QLCG as the lender and Customer A and Customer B collectively as the Borrowers. Pursuant to the New Loan Agreement, QLCG has agreed to grant the New Loan to the Borrowers for a principal amount of HK\$24,760,000 to settle the outstanding principal amount of the Previous Loan and the outstanding balance of the first mortgage due to a bank.

Prior to the entering into the New Loan Agreement, QLCG, as the lender, has entered into the Previous Loan Agreement to grant the Previous Loan to the Borrowers and the outstanding principal amount of the Previous Loan as at the date of this announcement is approximately HK\$14,940,000.

LISTING RULES IMPLICATIONS

As an applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the New Loan granted to the Borrowers exceeds 5% but is less than 25%, the grant of the New Loan constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

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Summarised below are the principal terms of the New Loan Agreement.

THE NEW LOAN AGREEMENT

Date of Agreement	:	14 April 2023
Lender	:	QLCG
Borrowers	:	Customer A and Customer B
Principal	:	HK\$24,760,000
Interest rate	:	13% per annum
Term	:	300 months commencing from the drawdown date
Security	:	A first legal charge mortgage in respect of a residential property located at Quarry Bay, Hong Kong Island, Hong Kong, with valuation conducted by an independent property valuer with the amount of approximately HK\$33,000,000 as at 17 March 2023

Repayment : the Borrowers will repay by 300 monthly instalments inclusive of principal and interest. The first instalment shall be repaid one month after drawdown of the New Loan. The Borrowers shall have an option at any time to make early repayment of the whole or part of the New Loan after the date of drawdown by giving the Lender not less than one calendar month's advance notice in writing.

INFORMATION ON THE CREDIT RISK RELATING TO THE NEW LOAN

The making of the New Loan is collateralised. The collateral provided by the Borrowers for the New Loan is sufficient based on the value of the mortgaged property for the New Loan as determined by an independent valuer.

The advances in respect of the New Loan are also made on the basis of the Company's credit assessments with reference to the facts that (i) the collateral provided by the Borrowers is at the prime site in Hong Kong; (ii) the Borrowers are repeated customers and their net worth is strong and solid to prove their repayment ability; and (iii) repayment records of the Previous Loan are satisfactory. After taking into account the factors as disclosed above in assessing the risks of the relevant advances, the Company considers that the risks involved in the advances to the Borrowers are manageable.

FUNDING OF THE NEW LOAN

The Group will finance the New Loan with the Company's general working capital.

INFORMATION ON THE BORROWERS

Customer A and Customer B are individuals who are merchants and Customer A is the spouse of Customer B. The Borrowers are repeated customers and were approached by the Group through its network. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Borrowers are Independent Third Parties and not connected with the Group.

INFORMATION ON THE GROUP AND THE LENDER

The Company is an investment holding company. The Group is principally engaged in provision of financial services in HK and the PRC. QLCG, as the lender of the New Loan, is an indirect wholly-owned subsidiary of the Company.

REASONS FOR ENTERING INTO THE NEW LOAN AGREEMENT

Taking into account the principal business activities of the Group, the grant of the New Loan to the Borrowers is in the ordinary and usual course of business of the Group.

The terms of the New Loan Agreement, including the interest rate applicable, were negotiated on an arm's length basis between QLCG and the Borrowers, having taken into account the prevailing market terms and practice of transactions of similar nature. The Directors consider that the grant of the New Loan is a financial assistance provided by the Group within the meaning of the Listing Rules. The Directors are of the view that the terms of the New Loan Agreement were entered into on normal commercial terms based on the Group's credit policy. Taking into account the satisfactory financial background of the Borrowers and that a stable revenue and cashflow stream from the interest income is expected, the Directors consider that the terms of the New Loan Agreement are fair and reasonable and the entering into of the New Loan Agreement is in the interests of the Company and its Shareholders as a whole.

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DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Board”	the board of Directors
“Borrowers”	Customer A and Customer B collectively
“Company”	China Financial Services Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Customer A”	Mr. Liu Hongyao (柳洪耀), an individual who is an Independent Third Party and is the spouse of Customer B
“Customer B”	Ms. Sun Xuehong (孫學虹), an individual who is an Independent Third Party and is the spouse of Customer A
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“QLCG”	QL Credit Gain Finance Company Limited, a company incorporated in Hong Kong with limited liability and with money lenders licence registered under Money Lenders Ordinance, and an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s) (as defined in the Listing Rules)

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“New Loan”	the first legal charge mortgage loan in the amount of HK\$24,760,000 granted to the Borrowers under the New Loan Agreement
“New Loan Agreement”	the loan agreement made between QLCG and the Borrowers for the New Loan on 14 April 2023
“Previous Loan”	the second legal charge mortgage loan in the amount of HK\$21,000,000 granted to the Borrowers under the Previous Loan Agreement
“Previous Loan Agreement”	the loan agreement made between QLCG and the Borrowers for the Previous Loan on 15 April 2019
“Share(s)”	share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
China Financial Services Holdings Limited
Chung Chin Keung
Company Secretary

Hong Kong, 14 April 2023

As at the date of this announcement, the directors of the Company are:

Executive Director:

Mr. Zhang Min (*Chief Executive Officer*)

Non-executive Director:

Mr. Tao Chun

Independent Non-executive Directors:

Mr. John Paul Ribeiro

Mr. Zhang Kun

Mr. Chan Chun Keung

Mr. Lee Ka Wai

Madam Zhan Lili