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**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 12 June 2023, the Loan Agreements were entered into between UDSL and HRSL as the Lenders and Customer Q as the Borrower, pursuant to which UDSL and HRSL have agreed to grant the Loans to the Borrower for principal amounts of RMB3,900,000 and RMB3,600,000 respectively for six months term.

### **LISTING RULES IMPLICATIONS**

As an applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the New Loans granted to the Borrower in aggregate exceeds 5% but is less than 25%, the grant of the New Loans in aggregate 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 Loan Agreement.

### THE LOAN AGREEMENTS

Date of Agreement	:	12 June 2023
Lenders	:	UDSL and HRSL
Borrower	:	Customer Q
Principals	:	RMB3,900,000 granted by UDSL and RMB3,600,000 granted by HRSL respectively
Interest rate	:	18% per annum
Term	:	6 months commencing from the drawdown date
Security	:	(i) A first legal charge mortgage to HRSL and second legal charge mortgage to UDSL in respect of a residential property located at Dongcheng District, Beijing, with valuation conducted by an independent property valuer in Beijing with the amount of approximately RMB12,740,000 as at 5 June 2023  (ii) Corporate guarantee executed by the Guarantor in favour of UDSL and HRSL, pursuant to which the Guarantor shall guarantee the repayment obligations of the borrower under the Loan Agreements
Repayment	:	the Borrower will repay the interest on a monthly basis with principal amounts to be repaid at maturity.

## **INFORMATION ON THE CREDIT RISK RELATING TO THE NEW LOANS**

The making of the Loans are collateralised. The collateral provided by the Borrower for the Loans is sufficient based on the value of the mortgaged property for the Loans as determined by an independent valuer.

The advances in respect of the Loans are also made on the basis of the Company's credit assessments with reference to the facts that (i) the collateral provided by the Borrower is at the prime site in Beijing; (ii) the Borrower's net worth is strong and solid to prove his repayment ability; and (iii) the relatively short term nature of the Loan. 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 Borrower are manageable.

## **FUNDING OF THE NEW LOANS**

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

## **INFORMATION ON THE BORROWER AND THE GUARANTOR**

Customer Q is a limited liability company established in the PRC whose principal business is provision of the corporate management service. The Borrower was 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 Borrower, its ultimate beneficial owners and the Guarantor are Independent Third Parties and not connected with the Group.

## **INFORMATION ON THE GROUP AND THE LENDERS**

The Company is an investment holding company. The Group is principally engaged in provision of financial services in HK and the PRC. UDSL and HRSL, as the lenders of the Loans, in which UDSL is a wholly-owned subsidiary and HRSL is a non-wholly-owned subsidiary of the Company.

## REASONS FOR ENTERING INTO THE NEW LOAN AGREEMENTS

Taking into account the principal business activities of the Group, the grant of the Loans to the Borrower is in the ordinary and usual course of business of the Group.

The terms of the Loan Agreements, including the interest rate applicable, were negotiated on an arm's length basis between UDSL and HRSL and the Borrower, having taken into account the prevailing market terms and practice of transactions of similar nature. The Directors consider that the grant of the Loans 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 Loan Agreements were entered into on normal commercial terms based on the Group's credit policy. Taking into account the satisfactory financial background of the Borrower and that a stable revenue and cashflow stream from the interest income is expected, the Directors consider that the terms of the Loan Agreements are fair and reasonable and the entering into of the Loan Agreements is in the interests of the Company and its Shareholders as a whole.

## LISTING RULES IMPLICATIONS

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

## DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	Customer Q
“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 Q”	北京韻斯企業管理有限公司 is a limited liability company established in the PRC whose principal business is the provision of the corporate management service, and is equally owned by Wang Jie (汪杰) and Li Zhen (李楨) respectively. They are merchants
“Director(s)”	the director(s) of the Company

“Group”	the Company and its subsidiaries
“Guarantor”	深圳翰潮資本有限公司, a limited liability company established in the PRC whose is equally ultimately beneficially owned by Mr. Wu Chenming (吳晨明) and Mr. Liu Chunbin (劉春斌). They are merchants
“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
“HRSL”	CFSH Beijing Huifeng Rongjin Small Loan Company Limited, (北京惠豐融金小額貸款有限公司), is a limited liability company established in the PRC whose principal business is the provision of loans to individuals and SME in Beijing
“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
“PRC”	People’s Republic of China, for the purpose of this announcement, does not include Hong Kong and Macau
“RMB”	Renminbi, the lawful currency of the PRC
“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
“the Loans”	the first legal charge mortgage loan in the amount of RMB3,600,000 granted by HRSL and second legal charge mortgage loan in the amount of RMB3,900,000 granted by UDSL to the Borrower under the Loan Agreements

“the Loan Agreements” the loan agreements made between UDSL and HRSL and the Borrower for the Loans on 12 June 2023

“UDSL” CFSH Urban Development (Beijing) Small Loan Co., Ltd. (北京中金城開小額貸款有限公司), is a wholly-foreign-owned enterprise established in the PRC whose principal business is the provision of loans to individuals and SME in Beijing

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

Hong Kong, 12 June 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