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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**

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The Board is pleased to announce that on 20 July 2023, the Loan Agreement was entered into between SZCG as the lender and Customer U and Customer V as the Borrowers, pursuant to which SZCG has agreed to grant the Loan to the Borrowers for a principal amount of RMB17,000,000 for one year term.

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 Loan Agreement.

THE LOAN AGREEMENT

Date of Agreement	:	20 July 2023
Lender	:	SZCG
Borrowers	:	Customer U and Customer V
Principal	:	RMB17,000,000
Interest rate	:	15.6% per annum
Term	:	1 year commencing from the drawdown date
Security	:	A first legal charge mortgage in respect of five commercial properties located at Futian District, Shenzhen, with valuation conducted by an independent property valuer in Shenzhen with the amount of approximately RMB43,290,000 as at 30 June 2023
Repayment	:	the Borrowers will repay the interest on a monthly basis with a principal amount to be repaid at maturity.

INFORMATION ON THE CREDIT RISK RELATING TO THE NEW LOAN

The making of the Loan is collateralised. The collaterals provided by the Borrowers for the Loan are sufficient based on the value of the mortgaged properties for the Loan as determined by an independent valuer.

The advances in respect of the Loan are also made on the basis of the Company's credit assessments with reference to the facts that (i) the collaterals provided by the Borrowers is at the prime site in Shenzhen and the relatively low loan-to-value ratio at approximately 39.3%; (ii) the Borrowers' net worth is strong and solid to prove their repayment ability and the Borrowers have an acceptable repayment record on the basis that there has not been any enforcement actions taken against the Borrowers in the past 5 years and the Borrowers did not have any record of prolonged late payment as revealed by the customer credit report issued by the credit reference center of the People's Bank of China on the Borrowers; 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 Borrowers are manageable.

FUNDING OF THE NEW LOAN

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

INFORMATION ON THE BORROWERS

Customer U and Customer V are PRC individuals who are merchants involved in the property management industry. Customer U is the spouse of Customer V. The Borrowers are new customers and have no previous relationship with the Group, 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. SZCG, as the lender of the Loan, is a wholly-owned subsidiary controlled by the Company.

REASONS FOR ENTERING INTO THE NEW LOAN AGREEMENT

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

The terms of the Loan Agreement, including the interest rate applicable, were negotiated on an arm's length basis between SZCG 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 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 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 Loan Agreement are fair and reasonable and the entering into of the Loan Agreement 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 Loan granted to the Borrowers exceeds 5% but is less than 25%, the grant of the Loan constitutes a discloseable transaction for the Company and is subject to notification and announcement requirements under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.58(2) of the Listing Rules, the identities of the Borrowers are required to be disclosed. Since (i) the advance of the Loan is not regarded as a material transaction of the Company as compared to the Company’s overall financial position; (ii) the Company has practical difficulties in complying with the aforesaid disclosure requirement as the Borrowers have confirmed to the Group that they will not consent to the disclosure of their identities in this announcement; (iii) the disclosure of the identities of the Borrowers does not reflect their financial standing or repayment abilities and thus will serve little purpose in assisting the Shareholders to evaluate their creditworthiness and the risks and exposure of the Loan; and (iv) the Company has made alternative disclosures in respect of the Loan in this announcement, including but not limited to the details of the charged properties and the loan-to-value ratio of the collaterals in respect of the Loan, which would be much more meaningful for the Shareholders in assessing the risk and exposure of the Loan as well as the repayment abilities of the Borrowers, the Company has applied to the Stock Exchange, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.58(2) of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrowers”	Customer U and Customer V
“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 U”	an individual who is an Independent Third Party and is the spouse of Customer V
“Customer V”	an individual who is an Independent Third Party and is the spouse of Customer U
“Director(s)”	the director(s) of the Company
“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 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

“PRC”	People’s Republic of China, for the purpose of this announcement, does not include Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SZCG”	Shenzhen Credit Gain Finance Company Limited (深圳市領達小額貸款有限公司), is a wholly-foreign-owned enterprise established in the PRC whose principal business is the provision of loans to individuals and SME in Shenzhen
“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 Loan”	the first legal charge mortgage loan in the amount of RMB17,000,000 granted to the Borrowers under the Loan Agreement
“the Loan Agreement”	the loan agreement made between SZCG and the Borrowers for the Loan on 20 July 2023

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

Hong Kong, 20 July 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