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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 16 August 2023, the Loan Agreement A was entered into between SZCG as the lender and Customer AA as the Borrower, pursuant to which SZCG has agreed to grant the Loan A to Customer AA for a principal amount of RMB6,000,000 for six months term. On the same day, the Loan Agreement B was entered into between SZCG as the lender and Customer AB as the Borrower, pursuant to which SZCG has agreed to grant the Loan B to Customer AB for a principal amount of RMB10,000,000 for six months term.

#### LISTING RULES IMPLICATIONS

As each of the Borrowers is associated with each other (details of their relationship are set out in the section headed “Information on the Borrowers” in this announcement), the grant of both Loans A and B requires aggregation under Rule 14.22 of the Listing Rules.

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

## **PROVISION OF FINANCIAL ASSISTANCE**

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On the same day, the Loan Agreement B was entered into between SZCG as the lender and Customer AB as the Borrower, pursuant to which SZCG has agreed to grant the Loan B to Customer AB for a principal amount of RMB10,000,000 for six months term.

Summarised below are the principal terms of the Loan Agreements.

### **THE LOAN AGREEMENT A**

Date of Agreement	:	16 August 2023
Lender	:	SZCG
Borrower	:	Customer AA
Principal	:	RMB6,000,000
Interest rate	:	21.6% per annum
Term	:	6 months commencing from the drawdown date
Security	:	A first legal charge mortgage in respect of a commercial property located at Lo Wu District, Shenzhen, with valuation conducted by an independent property valuer with the amount of approximately RMB22,494,000 as at 9 August 2023
Repayment	:	the Borrower will repay the interest on a monthly basis with a principal amount to be repaid at maturity.

## **THE LOAN AGREEMENT B**

Date of Agreement	:	16 August 2023
Lender	:	SZCG
Borrower	:	Customer AB
Principal	:	RMB10,000,000
Interest rate	:	21.6% per annum
Term	:	6 months commencing from the drawdown date
Security	:	A first legal charge mortgage in respect of two commercial properties located at Lo Wu District, Shenzhen, with valuation conducted by an independent property valuer with the amounts of approximately RMB15,683,000 and RMB24,603,000 respectively, as at 9 August 2023.
Repayment	:	the Borrower 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 LOANS**

The making of both Loans A and B is collateralised. Loan Agreement A is collateralised against a commercial property. Loan Agreement B is collateralised against two commercial properties. The collaterals provided by the Borrowers for both Loans A and B are sufficient based on the value of the mortgaged properties for both Loans A and B as determined by an independent valuer.

The advances in respect of both Loans A and B 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 are at the prime site in Shenzhen; (ii) the Borrowers' net worth is strong and solid to prove their repayment ability; and (iii) the relatively short term nature of both Loans A and B. 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 LOANS A AND B**

The Group will finance both Loans A and B with the Company's general working capital.

## **INFORMATION ON THE BORROWERS**

Customer AA is a limited liability company established in the PRC whose principal business is the provision of cultural and entertainment service.

Customer AB is a limited liability company established in the PRC whose principal business is the provision of trade service.

Mr. Zhang Zong Zhen is considered as the controlling shareholder of both Customer AA and AB. Hence, each of the Borrowers is associated with each other.

The Borrowers 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 and their ultimate beneficial owners 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 both Loans A and B, is a wholly-owned subsidiary of the Company.

## **REASONS FOR ENTERING INTO THE LOAN AGREEMENTS A AND B**

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

The terms of the Loan Agreements A and B, 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 both Loans A and B 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 A and B 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 Agreements A and B are fair and reasonable and the entering into of the Loan Agreements A and B is in the interests of the Company and its Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As each of the Borrowers is associated with each other (details of their relationship are set out in the section headed “Information on the Borrowers” in this announcement), the grant of both Loans A and B requires aggregation under Rule 14.22 of the Listing Rules.

As an applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of both Loans A and B granted to the Borrowers in aggregate exceeds 5% but is less than 25%, the grant of both Loans A and B 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
“Borrowers”	Customer AA and Customer AB
“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
“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 AA”	福琴娛樂文化(深圳)有限公司, is a limited liability company established in the PRC whose principal business is the provision of cultural and entertainment services. The ultimate effective shareholding of Customer AA is 50%, 31%, 10% and 9% owned by Mr. Zhang Zong Zhen (張宗真), Ms. Chen Ai Qin (陳愛欽), Mr. Zhang Yuan (張源) and Mr. Liu Chen (劉晨) respectively. They are merchants and Independent Third Parties. Mr. Zhang Zong Zhen is considered as the controlling shareholder of Customer AA and Customer AB.

“Customer AB”	深圳市東聯昌貿易有限公司, is a limited liability company established in the PRC whose principal business is the provision of trade service. The ultimate effective shareholding of Customer AB is 45%, 27%, 9%, 7%, 6% and 6% owned by Mr. Zhang Zong Zhen (張宗真), Ms. Chen Ai Qin (陳愛欽), Mr. Zhang Yuan (張源), Mr. Liu Chen (劉晨), Mr. Zheng Bin (鄭彬) and Mr. Zhang Xiao Chen (張曉晨) respectively. They are merchants and Independent Third Parties. Mr. Zhang Zong Zhen is considered as the controlling shareholder of Customer AA and Customer AB.
“Borrowers”	Customer AA and Customer AB
“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 and the Macao Special Administrative Region of the PRC and Taiwan
“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 Loan A”	the first legal charge mortgage loan in the amount of RMB6,000,000 granted to the Customer AA under the Loan Agreement A

“the Loan B”	the first legal charge mortgage loan in the amount of RMB10,000,000 granted to the Customer AB under the Loan Agreement B
“the Loan Agreement A”	the loan agreement made between SZCG and the Customer AA for the Loan A on 16 August 2023
“the Loan Agreement B”	the loan agreement made between SZCG and the Customer AB for the Loan B on 16 August 2023

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

Hong Kong, 16 August 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