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## PROFIT WARNING

This announcement is made by China Financial Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on a preliminary assessment of the unaudited consolidated management accounts of the Group and other information currently available to the Board, the Group expects to record a loss attributable to equity holders of the Company in the range of approximately HK\$110 million to HK\$130 million for the six months ended 30 June 2023 (the “**Reporting Period**”), compared with a loss attributable to equity holders of the Company of approximately HK\$40.8 million for the six months ended 30 June 2022. Based on the information currently available, such increase in loss in the Reporting Period is mainly attributable to: (i) the decline in the revenue generated by the financing business in the PRC due to the slower-than-expected economic recovery and increase in competition from banks. As banks had increased their support to small and micro enterprises in response to the policy requirements which resulted in more clients switched to the banks; (ii) compared with the corresponding period in 2022, there was an increase in impairment loss for loan receivables as a result of the flagging property market in Mainland China in the Reporting Period; and (iii) increase in impairment in goodwill as a result of decrease in revenue in the PRC.

The Company is still in the course of finalising its financial results for the Reporting Period. The information contained in this announcement is only based on preliminary assessment of the Board on the unaudited management accounts and information currently available, which have neither been reviewed by the Company’s auditor nor the audit committee of the Company, and therefore may be subject to changes.

Further information of the Group's results and performance for the Reporting Period will be disclosed in the Company's forthcoming interim results announcement, which is expected to be published on 30 August 2023.

**Shareholders of the Company and potential investors should exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 24 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