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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 3 November 2023, the Loan Agreement was entered into between UDSL as the lender and Customer AX and Customer AY as the Borrowers, pursuant to which UDSL has agreed to grant the Loan to the Borrowers for a principal amount of RMB12,500,000 for six months term.

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.

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Summarised below are the principal terms of the Loan Agreement.

THE LOAN AGREEMENT

Date of Agreement	:	3 November 2023
Lender	:	UDSL
Borrowers	:	Customer AX and Customer AY
Principal	:	RMB12,500,000
Interest rate	:	19.2% per annum
Term	:	6 months commencing from the drawdown date
Security	:	(i) A first legal charge mortgage in respect of three residential properties located at Chaoyang District, Beijing, with valuation conducted by an independent property valuer in Beijing with the amount of approximately RMB6,190,000, RMB7,060,000, and RMB6,190,000 respectively as at 20 October 2023 (ii) Personal guarantees executed by the Guarantor in favour of UDSL, pursuant to which the Guarantor shall guarantee the repayment obligations of the Borrowers under the Loan Agreement
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 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 are at the prime site in Beijing; (ii) the Borrowers' net worth is strong and solid to prove their repayment abilities; 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 LOAN

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

INFORMATION ON THE BORROWERS AND GUARANTOR

Customer AX, Customer AY and the Guarantor are PRC individuals who engage in the engineering construction industry. Customer AX is the spouse of Customer AY. The Guarantor is the daughter of the Borrowers. The Borrowers are new customers and have no previous relationship with the Group, and 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 Borrowers and the Guarantor 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. UDSL, as the lender of the Loan, is a wholly-owned subsidiary controlled by the Company.

REASONS FOR ENTERING INTO THE 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 UDSL 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.

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DEFINITIONS

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

“Board”	the board of Directors
“Borrowers”	Customer AX and Customer AY
“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 AX”	Mr. Zhang You Sheng (張友生), an individual who is an Independent Third Party and is the spouse of Customer AY
“Customer AY”	Ms. Feng Long Zhen (封龍珍), an individual who is an Independent Third Party and is the spouse of Customer AX
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	Ms. Zhang Qiaohui (張喬卉), an individual who is an Independent Third Party and is the daughter of Customer AX and Customer AY
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“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 RMB12,500,000 granted to the Borrowers under the Loan Agreement
“the Loan Agreement”	the loan agreement made between UDSL and the Borrowers for the Loan on 3 November 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, 3 November 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