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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 25 January 2024, the New Loan Agreement was entered into between UDSL as the lender and Customer Q as the Borrower, pursuant to which UDSL has agreed to grant the New Loan to the Borrower for a principal amount of RMB5,000,000 for six months term.

Prior to the entering into of the New Loan Agreement, UDSL and HRSL, have entered into the Previous Loan Agreements for the grant of secured loans in the amount of RMB3,900,000 and RMB3,600,000 respectively for six months term on 12 June 2023, and the Borrower fully repaid the Previous Loans on 8 August 2023. Details of the Previous Loan Agreements have been previously disclosed in the announcement of the Company dated 12 June 2023.

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 Borrower 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.

PROVISION OF THE NEW LOAN

The Board is pleased to announce that on 25 January 2024, the New Loan Agreement was entered into between UDSL as the lender and Customer Q as the Borrower, pursuant to which UDSL has agreed to grant the New Loan to the Borrower for a principal amount of RMB5,000,000 for six months term.

Summarised below are the principal terms of the New Loan Agreement.

THE NEW LOAN AGREEMENT

| | | |
|-------------------|---|---|
| Date of Agreement | : | 25 January 2024 |
| Lender | : | UDSL |
| Borrower | : | Customer Q |
| Principal | : | RMB5,000,000 |
| Interest rate | : | 16.8% per annum |
| Term | : | 6 months commencing from the drawdown date |
| Repayment | : | the Borrower will repay the interest on a monthly basis with a principal amount to be repaid at maturity. |

Details of the Previous Loan Agreements have been previously disclosed in the announcement of the Company dated 12 June 2023.

INFORMATION ON THE CREDIT RISK RELATING TO THE NEW LOAN

The advances in respect of the New Loan are made on the basis of the Company's credit assessments with reference to the facts that (i) the Borrower is a repeated customer and its cash flow is stable and solid to prove its repayment ability; (ii) the relatively short term nature of the New Loan; and (iii) the Borrower's repayment records for the Previous Loans are satisfactory. 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 LOAN

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

INFORMATION ON THE BORROWER

Customer Q is a limited liability company established in the PRC whose principal business is provision of the corporate management service. The Borrower is a repeated customer of the Group. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Borrower and its 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. UDSL, as the lender of the New 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 New Loan to the Borrower is in the ordinary and usual course of business of the Group.

The terms of the New Loan Agreement, including the interest rate applicable, were negotiated on an arm's length basis between UDSL 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 New 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 New 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 Borrower and that a stable revenue and cashflow stream from the interest income is expected, the Directors consider that the terms of the New Loan Agreement are fair and reasonable and the entering into of the New 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 New Loan granted to the Borrower 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.

DEFINITIONS

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

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| “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 |
| “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 |

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|--------------------------------|---|
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “the New Loan” | the loan in the amount of RMB5,000,000 granted to the Borrower under the New Loan Agreement |
| “the New Loan Agreement” | the loan agreement made between UDSL and the Borrower for the Loan on 25 January 2024 |
| “the Previous 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 Previous Loan Agreements |
| “the Previous 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. (北京中金融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, 25 January 2024

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