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China Vered Financial Holding Corporation Limited

中薇金融控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 245)

DISCLOSEABLE TRANSACTION: PROVISION OF LOAN FACILITY

THE FACILITY AGREEMENT

The Company is pleased to announce that on 30 December 2020, the Lender entered into the Facility Agreement with the Borrower, pursuant to which the Lender has conditionally agreed to make available to the Borrower the Facility in the principal amount of up to HK\$140,000,000 at an interest rate of 1.33% per month. The Loan shall be repaid on the date falling six months (or twelve months if applied by the Borrower and approved by the Lender) from the Utilisation Date.

LISTING RULES IMPLICATION

As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the provision of the Facility exceed 5% but all are less than 25%, the entering into of the Facility Agreement and the provision of the Facility constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirements under the Listing Rules.

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Principal terms of the Facility Agreement are set out as below:

THE FACILITY AGREEMENT

Date: 30 December 2020

Parties: (a) the Lender (as lender); and
(b) the Borrower (as borrower)

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Borrower and its ultimate beneficial owner is an Independent Third Party as at the date of this announcement.

Amount of the Facility: The Facility is in the principal amount of up to HK\$140,000,000.

Purpose of the Loan: The Loan shall be applied by the Borrower towards the purchase of a minority equity interest in a new energy technology company and financing the payment of fee, costs and expenses in respect of such purchase and the Facility.

The Loan shall not be applied towards facilitating the acquisition or continued holding of securities listed on a stock market.

Availability Period: Subject to the satisfaction (or waiver, if applicable) of certain conditions precedent as set out in the Facility Agreement, the Facility is available for drawdown up to the date falling 30 days from the date of the Facility Agreement.

Repayment: The Borrower shall repay the Loan in full on the date falling six months (or twelve months if applied by the Borrower and approved by the Lender) from the Utilisation Date.

Interest: The rate of interest on the Loan is 1.33% per month.

Each interest period shall be three months.

The interest for the first interest period shall be payable in advance on the Utilisation Date by deducting it from the proceeds of the Loan. Thereafter, the interest shall be paid on the last day of each subsequent interest period.

Default interest: Default interest shall accrue on any unpaid sum from the due date to the date of actual payment at the rate of 2% per month in addition to the rate of interest on the Loan.

- Prepayment:** The Borrower may, by giving prior notice to the Lender, prepay the whole or any part of the Loan in accordance with the terms of the Facility Agreement. Interest paid by the Borrower in advance for the first interest period will not be refunded.
- Security:** The Loan will be secured by a pledge over RMB120 million of account receivables of the Pledgor pursuant to the Receivables Pledge Agreement.
- The Pledgor will also enter into arrangements with an indirect wholly-owned subsidiary of the Company for the purpose of providing security in respect of the Loan.
- To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Pledgor and its ultimate beneficial owner(s) is an Independent Third Party as at the date of this announcement.
- Conditions precedent:** The making of the Loan under the Facility Agreement is conditional upon certain conditions precedent being fulfilled (or waived), including the Lender having received (amongst others):
- (a) a duly executed copy of the Receivables Pledge Agreement in a form satisfactory to the Lender; and
 - (b) evidence that the pledge under the Receivables Pledge Agreement has been registered with the People's Bank of China.
- Source of funding:** The Loan will be financed by the internal resources available to the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FACILITY AGREEMENT

The terms of the Facility Agreement were agreed by the parties after arm's length negotiations having taken into account the prevailing market interest rates and practices.

The provision of the Loan will provide interest income to the Company. The Directors consider that the provision of the Loan will result in a reasonable income and interest return to the Group. The Directors believe that the terms of the Loan are on normal commercial terms, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

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INFORMATION OF THE GROUP AND THE LENDER

The Company is a company incorporated in Hong Kong with limited liability and the shares of the Company have been listed on the Stock Exchange since 25 August 1972. The Company is an investment holding company. The principal activities of the Group include investment holding, provision of asset management services, consultancy services, financing services, securities advisory and securities brokerage services.

The Lender is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. The Lender is principally engaged in the business of providing money lending services.

INFORMATION OF THE BORROWER

The Borrower is a company incorporated in Hong Kong with limited liability. It is an investment holding company for the purchase and holding of the target minority equity interest in the new energy technology company mentioned above. The ultimate beneficial owner of the Borrower is Mr. Zhang, who is an investor and was senior management to various listed and unlisted companies and financial institutions.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Borrower and its ultimate beneficial owner is an Independent Third Party as at the date of this announcement.

INFORMATION OF THE PLEDGOR

The Pledgor is an affiliate of the Borrower. The Pledgor is a company incorporated under the laws of the PRC with limited liability and is principally engaged in private equity fund management. The ultimate majority beneficial owner of the Pledgor is Mr. Liang Yongzi, a Chinese merchant and a business partner of Mr. Zhang.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, each of the Pledgor and its ultimate beneficial owner(s) is an Independent Third Party as at the date of this announcement.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“Board”	the board of Directors
“Borrower”	Daguan International Limited (達觀國際有限公司), a company incorporated in Hong Kong with limited liability and ultimately beneficially owned by Mr. Zhang
“Company”	China Vered Financial Holding Corporation Limited (中薇金融控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Facility”	a term loan facility in the principal amount of HK\$140,000,000 to be made available to the Borrower by the Lender upon and subject to the terms and conditions of the Facility Agreement
“Facility Agreement”	the Facility Agreement dated 30 December 2020 between the Lender and the Borrower
“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 PRC
“Independent Third Party”	a third party who is independent of the Company and its connected persons (as defined in Chapter 14A of the Listing Rules)
“Lender”	China Vered Wealth Holdings Limited (中薇財富控股有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan made or to be made under the Facility or the principal amount outstanding for the time being of that loan
“Mr. Zhang”	Zhang Bo who, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is an Independent Third Party

“Pledgor”	Hainan Tianshi Investment Fund Management Company Limited* (海南天實投資基金管理有限公司), an affiliate of the Borrower and a company incorporated under the laws of the PRC
“PRC”	the People’s Republic of China
“Receivables Pledge Agreement”	the Receivables Pledge Agreement dated on or about the date of the Facility Agreement, entered into by the Lender and the Pledgor
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Utilisation Date”	the date on which the Loan is to be made
“%”	per cent

By Order of the Board
China Vered Financial Holding Corporation Limited
Tomohiko Watanabe
Chairman

* *For identification purpose only*

Hong Kong, 30 December 2020

As at the date of this announcement, the Board comprises (1) Mr. Tomohiko Watanabe, Mr. Ni Xinguang, and Ms. Li Wei as executive directors of the Company; (2) Mr. Zhang Yang as non-executive director of the Company; and (3) Mr. Wang Yongli, Ms. Zhou Hui and Mr. Dong Hao as independent non-executive directors of the Company.