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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 of the Company (the “**Board**”) 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\$150 million to HK\$160 million for the year ended 31 December 2023 (the “**Reporting Period**”), compared with a loss attributable to equity holders of the Company of approximately HK\$52.6 million for the year ended 31 December 2022. Based on the information currently available, such increase in loss in the Reporting Period is mainly attributable to the combine effect of: (i) a decrease in revenue generated by the financing business by approximately HK\$69.4 million, representing 34.5% decline, due to the slower-than-expected economic recovery and increase in competition from banks in the Mainland China. As the banks in the Mainland China had increased their support to small and micro enterprises in response to the policy requirements which resulted in more clients switched to other banks; (ii) compared with the corresponding period in 2022, there was a significant increase in impairment loss of loan receivables as a result of the continuing delayed payment of outstanding loan receivables by several debtors and the decrease in the collateral value on the loan receivables due to the flagging property market in Mainland China in the Reporting Period; and (iii) an increase in impairment of goodwill as a result of the decrease in expected revenue from the operation of the cash-generating unit in the Mainland China.

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 annual results announcement, which is expected to be published on 26 March 2024.

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, 18 March 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