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**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 23 April 2024, the Loan Agreement C was entered into between CDVC as the lender and Customer BY as the Borrower, pursuant to which CDVC has agreed to grant the Loan C to the Borrower for a principal amount of RMB6,500,000 for six months term.

Prior to the entering into of the Loan Agreement C, both Loan Agreement A and Loan Agreement B were entered among CDVC as the lender and Customer BY as the Borrower for the grant of two secured loans in the amounts of RMB6,500,000 and RMB2,000,000 respectively for one year term and two months term respectively. Details of both Loan Agreement A and Loan Agreement B have been previously disclosed in the announcement of the Company dated 5 February 2024. The outstanding amount of the Loan B has been fully settled before the Loan Agreement C was entered, and the loan proceeds of Loan C will be used to fully settled the outstanding principal of Loan A.

### **LISTING RULES IMPLICATIONS**

As an applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Loan C granted to the Borrower exceeds 5% but is less than 25%, the grant of the Loan C 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 LOAN C**

The Board is pleased to announce that on 23 April 2024, the Loan Agreement C was entered into between CDVC as the lender and Customer BY as the Borrower, pursuant to which CDVC has agreed to grant the Loan C to the Borrower for a principal amount of RMB6,500,000 for six months term.

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

### **THE LOAN AGREEMENT C**

Date of Agreement	:	23 April 2024
Lender	:	CDVC
Borrower	:	Customer BY
Principal	:	RMB6,500,000
Interest rate	:	19.2% per annum
Term	:	6 months commencing from the drawdown date
Security	:	(i) A first legal charge mortgage in respect of two commercial properties and one residential property located at Gaoxin District, Chenghua District and Wuhou District, Chengdu, respectively, with valuation conducted by an independent property valuer in Chengdu with an aggregated amount of approximately RMB14,470,000 as at 29 January 2024  (ii) Personal guarantee executed by the Guarantor in favour of CDVC, pursuant to which the Guarantor shall guarantee the repayment obligation of the Borrower under the Loan Agreement C
Repayment	:	the Borrower will repay the interest on a monthly basis with a principal amount to be repaid at maturity.

### **THE LOAN AGREEMENT A**

The loan proceeds of the Loan C will be used to fully settle the outstanding principal of the Loan A in the amount of RMB6,500,000, particulars of which have been previously disclosed in the announcement of the Company dated 5 February 2024.

## **INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN C**

The making of the Loan C is collateralised against two commercial properties and one residential property. The collaterals provided by the Borrower for the Loan C are sufficient based on the value of the mortgaged properties for the Loan C as determined by an independent valuer.

The advances in respect of the Loan C are also made on the basis of the Company's credit assessments with reference to the facts that (i) the collaterals provided by the Borrower are at the prime site in Chengdu; (ii) the Borrower is a repeated customer and its net worth is strong and solid to prove its repayment ability; and (iii) the relatively short term nature of the Loan C. 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.

## **INFORMATION ON THE BORROWER AND GUARANTOR**

Customer BY is a limited liability company established in the PRC whose principal business is power engineering construction and is a repeated customer of CDVC, and there is no record of default as at the date of this announcement. The Guarantor is an PRC individual and the Borrower's ultimate beneficial owner. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, the Borrower, its ultimate beneficial owner 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. CDVC, as the lender of the Loan C, is a non wholly-owned subsidiary controlled by the Company.

## **REASONS FOR ENTERING INTO THE LOAN AGREEMENT C**

Taking into account the principal business activities of the Group, the grant of the Loan C to the Borrower is in the ordinary and usual course of business of the Group.

The terms of the Loan Agreement C, including the interest rate applicable, were negotiated on an arm's length basis between CDVC 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 Loan C 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 C 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 Loan Agreement C are fair and reasonable and the entering into of the Loan Agreement C 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 Loan C granted to the Borrower exceeds 5% but is less than 25%, the grant of the Loan C 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:

“Board”	the board of Directors
“Borrower”	Customer BY
“CDVC”	Chengdu Vision Credit Limited (成都市武侯惠信小額貸款有限責任公司), is a sino-foreign enterprise established in the PRC whose principal business is the provision of loans to individuals and SME in Chengdu
“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 BY”	Sichuan Huayu Electric Power Co., Ltd (四川華宇電力有限公司), a limited liability company established in the PRC whose principal business is power engineering construction and is ultimately beneficially wholly owned by Ms. Li Yuanxia (李媛霞) who is a merchant and an Independent Third Party

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantor”	Ms. Li Yuanxia (李媛霞), an individual who is an Independent Third Party and the Borrower’s ultimate beneficial owner
“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 and Macau Special Administrative Region of the PRC and Taiwan
“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 A”	the first legal charge mortgage loan in the amount of RMB6,500,000 granted to the Borrower under the Loan Agreement A
“the Loan Agreement A”	the loan agreement made between CDVC and the Borrower for the Loan on 9 August 2023
“the Loan B”	the second legal charge mortgage loan in the amount of RMB2,000,000 granted to the Borrower under the Loan Agreement B
“the Loan Agreement B”	the loan agreement made between CDVC and the Borrower on 5 February 2024

“the Loan C”	the first legal charge mortgage loan in the amount of RMB6,500,000 granted to the Borrower under the Loan Agreement C
“the Loan Agreement C”	the loan agreement made between CDVC and the Borrower for the Loan on 23 April 2024

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

Hong Kong, 23 April 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