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中金投集团

China Financial Services Holdings Ltd

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(Incorporated in Hong Kong with limited liability)

(Stock Code: 605)

INSIDE INFORMATION AND CHANGE IN DIRECTORSHIP

This announcement is made by China Financial Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XVIA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

On 10 October 2020, the board of directors of the Company (the “**Board**”) was notified that Mr. Luo Rui, the chief executive officer and an executive director of the Company and Madam Guan Xue Ling, an executive director of the Company (collectively, the “**Relevant Directors**”) had, without authorisation of the Board, executed certain guarantee contracts purportedly for and on behalf of the Company to guarantee payment obligations under certain financial products issued by two of the Company’s subsidiaries and certain other companies outside the Group, where some of the proceeds from such financial products were lent to third parties independent to the Company (the “**Incidents**”). Based on the information currently available to the Company so far, the incidents took place from 2017 to June 2020 and the obligations of the Company under such guarantee contracts amount to approximately RMB1,370,000,000 in aggregate. The Incidents were unrelated to the issuance of trust plans and the related guarantee given by the Company as disclosed in the Company’s announcement dated 27 July 2018 and were, as far as the Board is currently aware, outside the scope of the listing of certain assets and the related guarantee given by the Company as disclosed in the Company’s announcement dated 25 April 2019.

An investigation committee comprising Mr. Chan Yuk Ming, Dr. Cheung Chai Hong and Mr. Fang Feiyue has been established by the Board to investigate the Incidents. All the members of the investigation committee had confirmed to the Board that they are independent of and are not connected with the Incidents nor either one of the Relevant Directors. Legal advisers have also been engaged to provide legal advice to the Company in relation to the Incidents. The Company will further engage an independent professional investigator to investigate the Incidents and the related matters including the internal control of the Group.

TERMINATION OF DIRECTORSHIP AND DIRECTOR'S SERVICE AGREEMENTS

Due to the Incidents, on 16 October 2020, the Company gave notice to terminate (i) the appointment of Mr. Luo Rui as chief executive officer and an executive director of the Company and Madam Guan Xue Ling as an executive director of the Company and (ii) the director's service agreements made between the Company and each of the Relevant Directors with immediate effect pursuant to the terms of the director's service agreements.

As at the time of issue of this announcement, Mr. Luo Rui and Madam Guan Xue Ling have not raised any disagreement with the Board and have raised no other matters that need to be brought to the attention of the shareholders of the Company.

The Board is still assessing the financial impact of the Incidents on the Company. The Company will keep the shareholders of the Company and potential investors informed of any further material developments in connection with the above by way of further announcement(s) as and when appropriate and in accordance with the Listing Rules. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company.

By Order of the Board
China Financial Services Holdings Limited
Cheung Chai Hong
Executive Director

Hong Kong, 19 October 2020

As at the date of this announcement, the directors of the Company are:

Executive Directors:

Dr. Cheung Chai Hong

Non-executive Directors:

Mr. Chan Yuk Ming (*Chairman*)

Mr. Fang Feiyue

Mr. Dong Yibing

Madam Huang Mei

Independent Non-executive Directors:

Mr. Chan Chun Keung

Mr. Chan Wing Fai

Dr. Zhang Xiao Jun

Madam Zhan Lili