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CHINA SUCCESS FINANCE GROUP HOLDINGS LIMITED

中國金融發展(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3623)

PROFIT WARNING

This announcement is made by the Company pursuant to Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment of the Group's unaudited management accounts for FY2018 and information currently available to the Board, the Group is expected to record a decrease of net profit of approximately 66% for FY2018, as compared to FY2017.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by China Success Finance Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Inside Information Provisions (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the Group's unaudited management accounts for the year ended 31 December 2018 (“**FY2018**”) and information currently available to the Board, the financial performance of the Group for the second half of

FY2018 generally improved and recorded a turnaround to profit, as compared with the first half of FY2018. Such improvement was mainly driven by (i) the performance of the Group's financial services business and (ii) the increase in the fair value of the financial assets of the Group. The Group is expected to record a net profit for FY2018.

However, the net profit of the Group for FY2018 is expected to decrease by approximately 66%, as compared with the year ended 31 December 2017 ("FY2017"). The Board expects that the Group's profit before taxation and total comprehensive income for FY2018 would be approximately 28% and 22% lower than that of FY2017, respectively.

Such decrease of profit was mainly attributable to: (i) the Group's paying of the interest expenses arising from the convertible bonds due in 2020 issued in FY2018; (ii) the decrease in the Group's income from both interest penalty and financial consultancy service fees during FY2018 as compared with FY2017; and (iii) despite that the Group had new financial services business and commercial guarantee business, the relevant income has been allocated over the guarantee period under the accounting principle of income recognition, therefore, part of the relevant income currently remains to be recognized as deferred income and could not significantly raise the profits of the Group for FY2018.

On the other hand, based on the unaudited management accounts, as at 31 December 2018, the Group's cash and various bank deposits increased by approximately 106%, as compared than with as at 30 June 2018, which indicated that the financial position of the Group had been improved.

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited management accounts of the Group for FY2018 and information currently available. Such information has not been audited or reviewed by the Company's auditor. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for FY2018 which is expected to be issued on around 29 March 2019.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
China Success Finance Group Holdings Limited
Zhang Tiewei
Chairman and Executive Director

Hong Kong, 15 March 2019

As at the date of this announcement, the Board comprises (i) five executive directors, namely, Mr. Zhang Tiewei, Mr. Li Bin, Ms. Dai Jing, Mr. Xu Kaiying and Mr. Pang Haoquan, (ii) one non-executive director, namely, Mr. He Darong, and (iii) four independent non-executive directors, namely, Mr. Tsang Hung Kei, Mr. Au Tien Chee Arthur, Mr. Xu Yan and Mr. Zhou Xiaojiang.