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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)**

### **MAJOR TRANSACTION — PROVISION OF GUARANTEE**

#### **PROVISION OF GUARANTEE**

The Board is pleased to announce that on 26 September 2019, Guangdong Success Finance Guarantee Company Limited (the “**Guarantor**”), a wholly-owned subsidiary of China Success Finance Group Holdings Limited (the “**Company**”), and Foshan Nanhai Lihui Real Estate Co., Ltd. and Foshan Junjuan Real Estate Co., Ltd. (collectively, the “**Warrantees**”) entered into a Guarantee Service Agreement pursuant to which the Guarantor agrees to provide the Guarantee to the Warrantees regarding land development projects in PRC (“**Development Projects**”). The total guarantee amount is RMB200,000,000 (equivalent to approximately HK\$221,699,995.57). The Warrantees shall pay a total service fees of RMB1,000,000 (equivalent to approximately HK\$1,108,499.98) to the Guarantor in relation to the provision of the Guarantee. The term of the Guarantee is 30 months upon execution of the respective letter of the Guarantee.

#### **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the provision of the Guarantee exceeds 25% but are less than 100%, the provision of the Guarantee constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement, reporting and Shareholders’ approval requirements under Chapter 14 of the Listing Rules.

On 25 September 2019, the Company has obtained written Shareholders' approval approving the Guarantee Service Agreement in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising Mr. Zhang Tiewei, the Chairman of the Company, Expert Depot Limited, Bliss Success Investments Limited, Novel Heritage Limited, and New Maestro Investments Limited, holding 1,638,000 Shares, 116,224,000 Shares, 63,750,000 Shares, 54,000,000 Shares and 45,000,000 Shares, respectively, representing in total 53.49% of the entire issued share capital of the Company as at the date of this announcement. To the best of the Directors' knowledge, information and belief having made all reasonable enquires, none of the Shareholders have any material interest in the Guarantee Service Agreement. As a result, no general meeting is required to be convened for the approval of the Guarantee Service Agreement.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, amongst other things, information in relation to the Guarantee Service Agreement thereunder (the "Circular"), is required to be despatched to the Shareholders within 15 Business Days after the publication of this announcement, which shall be on or before 22 October 2019.

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The Warrantees have taken up the Development Projects. On 26 September 2019, the Guarantor and the Warrantees entered into the Guarantee Service Agreement pursuant to each of which the Guarantor agrees to provide guarantee to the Warrantees regarding the respective Development Projects.

## THE GUARANTEE SERVICE AGREEMENT

The principal terms of the Guarantee Service Agreement are set out as follows:

- Date: 26 September 2019
- Parties: (1) Guarantor: Guangdong Success Finance Guarantee Company Limited;
- (2) Warrantees: Foshan Nanhai Lihui Real Estate Co., Ltd.; and Foshan Junjuan Real Estate Co., Ltd.
- (3) Counter-guarantors: Two PRC companies; and Four independent PRC residents.
- Background: Given that the Warrantees and a PRC local management commission (the “Outsourcer”) have entered into an Agreement for Development and Use of the State-owned Construction Land (the “**Master Contract**”) in September 2019 in relation to developing a certain state-owned development land. The Guarantor has accepted the engagement of the Warrantees and agreed to provide the guarantees for performance of general guarantee obligations to the Outsourcer in a manner of guarantee, whereas the Counter-guarantors have agreed to provide counter-guarantee to the Guarantor.
- Scope: The scope of the guarantee provided by the Guarantor is limited to the actual loss caused to the Outsourcer as a result of the non-performance of the responsibilities and obligations agreed in the Master Contract by the Warrantees.
- Amount: RMB200 million
- Term: 30 months upon the execution of the letter of guarantee
- Type: General guarantee obligation
- Service fees: RMB1 million

Responsibilities: In case of occurrence of a payment advanced by the Guarantor due to provision of the above guarantee, the Warrantees shall pay the Guarantor all the amounts already paid by it within three days from the date of making such payment by the Guarantor. If the Warrantees delayed the settlement of the amounts with the Guarantor, the Guarantor shall have the right to charge interest from the Warrantees from the date of making such payment until such amount is fully repaid by the Warrantees,

The Counter-guarantors have agreed to provide the Guarantor with the joint and several liability counter-guarantee. The Counter-guarantors shall pay the Guarantor all the amounts already paid by it within three days from the date of making such payment by the Guarantor. If the Counter-guarantors delayed the settlement of the amounts with the Guarantor, the Guarantor shall have the right to charge interest from the Counter-guarantors from the date of making such payment until such amount is fully repaid by the Counter-guarantors.

The term of joint and several liability counter-guarantee undertaken by the Counter-guarantors to the Guarantor shall be two years from the date of making such advance payment by the Guarantor.

Obligations: The Guarantor shall issue the Performance Guarantee Letter to the Outsourcer within two days following the date on which the Contract takes effect and it receives the guarantee fee.

Should the Warrantees make any change in the company name, scope of business, registered capital, domicile, the principal place of business, legal representatives, or undergo any operating measure, such as merger, division and reorganization, it shall notify the Guarantor in writing 30 days in advance; the Warrantees shall notify the Guarantor of any loss or litigation immediately.

The Warrantees shall notify the Guarantor of any modification or alteration to the Master Contract made by the Warrantees and the Outsourcer; and shall obtain written consent for any change in the major design such as structure, scale and standards.

The Warrantees shall fully perform the Master Contract, notify the Guarantor of the status of performance, and assist the Guarantor in making review and supervision on a regular or random basis.

The Contract was approved by the board of directors and the shareholders' meeting of the Warrantees, in respect of which a resolution of board of directors and shareholders' meeting was signed. Any liability arising from a breach on the part of the Warrantees of the Articles of Association and other internal requirements, when signing the Contract, shall be assumed by the Warrantees, and the Warrantees shall not refuse to assume the obligations hereunder on that ground.

The Warrantees shall assist the Guarantor in the provision of post-guarantee services, and provide the information on finance, accounting and production and operations, including but not limited to, the provision to the Guarantor of the balance sheet and the income statement as of the end of the last quarter within the first fifteen days of the first month of each quarter, and the statement of cash flows for the current year at the end of the year; the Warrantees shall be responsible for the truthfulness, completeness and effectiveness of the information provided, and shall not provide any false materials, nor conceal material operational and financial facts. Should the Warrantees refuse to provide the relevant information upon receipt of the notice from the Guarantor by twice, the Guarantor shall have the right to terminate the Contract earlier.

Either party shall be obliged to keep confidential the business information of the other party known to it during validity period of the Contract, except for that such information is required to be disclosed to third parties for the purpose of carrying out the business under the letter of guarantee.

Termination: The Contract shall come into effect upon being signed and sealed by the legal representatives (or their authorized agents) of the parties hereto.

After the Contract comes into effect, any supplement, revision, alteration and termination hereof shall be subject to the consultation and agreement in writing between the parties hereto.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Warrantees, the Outsourcer, and their respective ultimate beneficial owners and all individuals who act as counter-guarantors are third parties independent of the Company and its connected persons and any of their respective associates.

## LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the provision of the Guarantee exceeds 25% but are less than 100%, the provision of the Guarantee constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement, reporting and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

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Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, amongst other things, information in relation to the Guarantee Service Agreement thereunder (the "Circular"), is required to be despatched to the Shareholders within 15 Business Days after the publication of this announcement, which shall be on or before 22 October 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, 27 September 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.*