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If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Success Finance Group Holdings Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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
IN RELATION TO
PROVISION OF GUARANTEE**

All capitalised terms used in this circular have the meaning set out in the section headed “Definitions” of this circular.

A letter from the Board containing details of the provision of Guarantee is set out on pages 5 to 12 of the circular.

The Company has obtained written Shareholders’ approval for the provision of the Guarantee based on the terms of the provision of the Guarantee as set out in the circular pursuant to Rule 14.44 of the Listing Rules from the relevant Shareholders who form a closely allied group of Shareholders and together hold more than 50% of the issued Shares giving the right to attend and vote at a general meeting. Accordingly, no Shareholders’ meeting will be held to approve the provision of the Guarantee pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time;
“associate(s)”	has the meaning ascribed to it under the Listing Rules;
“Bliss Success Investments Limited”	a company incorporated in the BVI whose entire issued share capital is held by Mr. Xu Kaiying, an executive Director of the Company;
“Board”	board of Directors;
“Business Day”	a day (not being a Saturday, Sunday, public holiday or any day on which typhoon signal No.8 or above or black rainstorm warning is hoisted in Hong Kong at any time from 9:00 a.m. to 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong;
“Companies Law”	the Companies Law (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time;
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Company”	China Success Finance Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 3623);
“Counter-guarantee”	the Counter-guarantors have agreed to provide counter-guarantee to the Guarantor;
“Counter-guarantors”	Guangdong Junming Investment Holdings Limited (廣東鈞明投資控股有限公司), 91440101MA59KKE901 (Certificate of Organization Code), Room 3601, No. 22, Jianshe Great Road, Yuexiu District, Guangdong, China; the ultimate beneficial owners are Liang Jun, Chen Guangming;

DEFINITIONS

	<p>Guangdong Chanbao Beverage Limited (廣東禪寶飲料有限公司), 91440605714869701F (Certificate of Organization Code), No. 2, Yingjin 2nd Road, South China Hardware Industrial Base, Danzao Town, Nanhai District, Foshan, Guangdong, China; the ultimate beneficial owners of are Ye Yongjian (葉永鍵) and Tan Guichang (譚桂嫦);</p> <p>Chen Guangming (陳光明), a PRC resident, the chairman of Guangdong Junming Investment Holdings Limited;</p> <p>Liang Jun (梁軍), a PRC resident, the legal representative of the Warrantee I;</p> <p>Li Manxing ((李滿星), a PRC resident, the legal representative of Guangdong Chanbao Beverage Limited ; and</p> <p>Ye Yongfeng (葉永鋒), a PRC resident, the legal representative of the Warrantee II.</p>
“Development Projects”	several land development projects in PRC;
“Director(s)”	director(s) of the Company;
“Expert Depot Limited”	a company incorporated in the BVI whose entire issued share capital is held by Mr. Zhang Tiewei, the chairman of the Board and an executive Director of the Company;
“Group”	the Company and its subsidiaries from time to time;
“Guarantee”	Guarantor agrees to provide the guarantee to the Warrantees regarding Development Projects;
“Guarantee Amount”	RMB200,000,000;
“Guarantee Service Agreement”	the formal guarantee service agreement entered into between the Guarantor, the Counter-guarantors and the Warrantees in relation to the provision of Guarantee on 26 September 2019;
“Guarantor”	廣東集成融資擔保有限公司 (Guangdong Success Finance Guarantee Company Limited*), a direct wholly owned subsidiary of the Company and a limited liability company established under the laws of the PRC on 26 December 1996;
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;

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“Insider Solution Limited”	a company incorporated in the BVI whose entire issued share capital is held by Mr. Chen Guoxian;
“Latest Practicable Date”	13 December 2019, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Master Contract”	the formal performance supervision agreement for entered into between the Warrantees and the Outsourcer in relation to the development and use of the state-owned construction land on 25 September 2019;
“New Maestro Investments Limited”	a company incorporated in the BVI whose entire issued share capital is held by Mr. He Darong, the non-executive Director of the Company;
“Novel Heritage Limited”	a company incorporated in the BVI whose entire issued share capital is held by Mr. Pang Haoquan, an executive Director of the Company;
“Outsourcer”	Xijiang Industry New City Management Commission in Gaoming District of Foshan, a local administration department;
“PRC” or “China”	the People’s Republic of China which, for the purposes of this circular only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Responsible Persons”	means the Company, Expert Depot Limited, Bliss Success Investments Limited, Insider Solution Limited, Novel Heritage Limited, Mr. Zhang Tiewei, Mr. Pang Haoquan, Mr. Xu Kaiying and Mr. Chen Guoxian;
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	the holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

DEFINITIONS

“subsidiary(ies)”	has the meaning ascribed thereto under the Companies Ordinance;
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules;
“Success Guarantee”	Guangdong Success Finance Guarantee Company Limited*, a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“Warrantee I”	Foshan Nanhai Lihui Real Estate Co., Ltd., a limited liability company established under the laws of the PRC on 29 July 2013;
“Warrantee II”	Foshan Junjuan Real Estate Co., Ltd., a limited liability company established under the laws of the PRC on 13 June 2018;
“Warrantees”	the Warrantee I and Warrantee II; and
“%”	per cent.

In this circular, the exchange rate RMB1.00 = HK\$1.1085 has been used for currency conversions. This is for illustration purpose only, and does not constitute a representation that any amounts in RMB and HK\$ have been, could have been or may be converted at such rate or at any other exchange rates.

* *In this circular, the English names of the PRC entities are translations of their Chinese names and included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

LETTER FROM THE BOARD



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

Executive Directors:

Mr. Zhang Tiewei (*Chairman*)
Mr. Li Bin (*Chief Executive Officer*)
Ms. Dai Jing
Mr. Xu Kaiying
Mr. Pang Haoquan

Non-Executive Director:

Mr. He Darong

Independent Non-Executive Directors:

Mr. Tsang Hung Kei
Mr. Au Tien Chee Arthur
Mr. Xu Yan
Mr. Zhou Xiaojiang

Registered office in Cayman Islands:

Fourth Floor, One Capital Place
P.O. Box 847, Grand Cayman
KY 1-1103
Cayman Islands

Headquarters:

West Wing, 21st Floor, Guangfa Building
No. 29 Jihua 5th Road, Chancheng District
Foshan, Guangdong
PRC

Principal place of business in Hong Kong:

604, 6/Floor, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

13 December 2019

To the Shareholders

Dear Sir or Madam,

**MAJOR TRANSACTION
IN RELATION TO
PROVISION OF GUARANTEE**

INTRODUCTION

References are made to the announcement made by the Company on 27 September 2019 in relation to the provision of Guarantee.

LETTER FROM THE BOARD

On 26 September 2019, the Guarantor and the Warrantees entered into a Guarantee Service Agreement pursuant to which the Guarantor agrees to provide the Guarantee to the Warrantees regarding the Development Projects. The total Guarantee Amount is RMB200,000,000 (equivalent to approximately HK\$221,699,996). The Warrantees shall pay a total service fees of RMB1,000,000 (equivalent to approximately HK\$1,108,500) 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.

The purpose of this circular is to provide you with, among other things, (i) details about the Guarantee Service Agreement; (ii) the financial information of the Group; and (iii) other information required under the Listing Rules.

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: Guangdong Junming Investment Holdings Limited; Guangdong Chanbao Beverage Limited and Chen Guangming; Liang Jun; Li Manxing; Ye Yongfeng.
Background	Given that the Warrantees and the Outsourcer have entered into the Master Contract in September 2019 in relation to developing a certain state-owned construction 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.
Guarantee Amount	RMB200,000,000 (equivalent to approximately HK\$221,699,996)
Term	30 months upon the execution of the letter of guarantee
Type	General guarantee obligation
Service fees	RMB1,000,000 (equivalent to approximately HK\$1,108,500)

LETTER FROM THE BOARD

Responsibilities

In case of occurrence of a payment advanced by the Guarantor due to provision of the 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 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 a performance guarantee letter to the Outsourcer within two days following the date on which the Guarantee Service Agreement takes effect and it receives the service fees.

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 the Warrantees shall obtain written consent of Guarantor for any changes 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 Guarantee Service Agreement was approved by the Board and the shareholders' meeting of the Warrantees, in respect of which a resolution of the Board 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 Guarantee Service Agreement, shall be assumed by the Warrantees, and the Warrantees shall not refuse to assume the obligations hereunder on that ground.

LETTER FROM THE BOARD

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 Guarantee Service Agreement earlier.

Either party shall be obliged to keep confidential the business information of the other party known to it during validity period of the Guarantee Service Agreement, 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 Guarantee Service Agreement shall come into effect upon being signed and sealed by the legal representatives (or their authorized agents) of the parties hereto.

After the Guarantee Service Agreement 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 Counter-guarantors are third parties independent of the Company and its connected persons and any of their respective associates.

FINANCIAL IMPACT TO THE GROUP IN RELATION TO THE PROVISION OF THE GUARANTEE

The provision of guarantees will not have any immediate effects on the earnings and assets and liabilities of the Company.

However, the Group, as the guarantor, will be responsible if the Warrantees fail to comply with the terms of the Master Contract in relation to developing a certain state-owned development land, up to the maximum amount of RMB 200,000,000.

Upon completion of the Guarantee Service Agreement, the Group received the service fee of RMB1,000,000 for the provision of the Guarantee.

LETTER FROM THE BOARD

INFORMATION ON THE GROUP AND THE GUARANTOR

The Group is a financial service provider engaging in, among other things, the offering of financial and non-financial guarantee services, financial consultancy services and financial leasing services in the PRC. Guarantor is a wholly-owned subsidiary of the Group, engaging in the financial guarantee business.

INFORMATION ON THE WARRANTEE I

The Warrantee I is a company incorporated in PRC with limited liability. The principal business activities of the Warrantee I are real estate development and management, commodity information consulting services and business and financial management consulting services. The ultimate beneficial owners of the Warrantee I are Liang Jun and Chen Guangming.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Warrantee I and its respective ultimate beneficial owners are third parties independent of the Company.

INFORMATION ON THE WARRANTEE II

The Warrantee II is a company incorporated in PRC with limited liability. The principal business activities of the Warrantee II are real estate development and management, real estate intermediary services, real estate leasing operations, residential housing construction; other housing construction; residential decoration and decoration and building curtain wall decoration and decoration. The ultimate beneficial owner of the Warrantee II is Liang Jun.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Warrantee II and its respective ultimate beneficial owners are third parties independent of the Company.

INFORMATION ON THE COUNTER-GUARANTORS

The Counter-guarantors include two PRC companies and four PRC residents:

- Guangdong Junming Investment Holdings Limited, 91440101MA59KKE901 (Certificate of Organization Code), Room 3601, No. 22, Jianshe Great Road, Yuexiu District, Guangdong, China. The principal business activities are real estate investment, self-owned real estate business activities, real estate consulting services, house leasing, interior decoration and decoration, wholesale of building materials and decorative materials, decorative stone retail, building material design and consulting services, investment consulting services, investment by enterprises' own funds and investment management. The ultimate beneficial owners are Liang Jun and Chen Guangming;

LETTER FROM THE BOARD

- Guangdong Chanbao Beverage Limited, 91440605714869701F (Certificate of Organization Code), No. 2, Yingjin 2nd Road, South China Hardware Industrial Base, Danzao Town, Nanhai District, Foshan, Guangdong, China. The principal business activities are manufacturing and selling of beverages, bottles, caps, preforms of drinking water, plastic products; selling water dispensers, plastic cups, plastic raw materials; property leasing and general cargo storage. The ultimate beneficial owners of are Ye Yongjian and Tan Guichang;
- Chen Guangming, a PRC resident, the chairman of Guangdong Junming Investment Holdings Limited;
- Liang Jun, a PRC resident, the legal representative of the Warrantee I;
- Li Manxing, a PRC resident, the legal representative of Guangdong Chanbao Beverage Limited; and
- Ye Yongfeng, a PRC resident, the legal representative of the Warrantee II.

INFORMATION ON THE MASTER CONTRACT

The Outsourcer and the Warrantee I and the Warrantee II agree in respect of the Development Projects that the Warrantees shall indemnify the amount of RMB200,000,000 (equivalent to approximately HK\$221,699,996) to the Outsourcer when the Warrantees fail to fulfill the following three conditions:

- (1) the Warrantees shall ensure that the shopping mall to be constructed as agreed under the Development Projects will be completed and fully opened for business within 24 months after the conclusion of the bid confirmation notice;
- (2) the Warrantees shall introduce an enterprise ranking among the top 20 of the “Top 50 Chinese Real Estate Enterprises in Terms of Comprehensive Strength in 2018 (2018中國房地產開發企業商業地產綜合實力50強)” officially published by China Real Estate Association in March 2018 for the management and operation of the shopping mall; and
- (3) the Warrantees shall ensure that the enterprise directly responsible for the management and operation when the shopping mall is opened for business is consistent with that enterprise introduced in the item 2 above.

LETTER FROM THE BOARD

REASONS FOR AND BENEFITS OF THE PROVISION OF GUARANTEE

Considering that the provision of Guarantee is a low-risk business, the Company believes that this business can bring benefits and further improve Company's operating performance.

The following documents have been review by the Group when it conducts the business: (i) the information (company business license), financial information and business operation of the two Warrantees; (ii) the identity certificate and strength background of the Warrantees; (iii) the subject qualification certificate of the Counter-guarantors; (iv) the status of the Development Projects, the validity and authenticity of the Master Contract; and (v) the information of the Outsourcer. The Group has also completed the following work when it conducts the business: (i) the on-site research; (ii) the review of the business committee of Success Guarantee; and (iii) the review of the Board of the Company.

In light of the reasons set out above, the Directors are of the view that the terms and conditions of the Guarantee Service Agreement are on normal commercial terms and fair and reasonable, and the respective transactions contemplated thereunder are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the provision of 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 provision of the Guarantee in accordance with Rule 14.44 of the Listing Rules from a closely allied group of Shareholders comprising Mr. Zhang Tiewei, the Chairman and controlling shareholder 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 the announcement of the Company on 27 September 2019. To the best of the Directors' knowledge, information and belief, having made all reasonable enquires, none of the Shareholders have any material interest in provision of the Guarantee. As a result, no general meeting is required to be convened for the approval of provision of the Guarantee.

The purpose of this circular is for Shareholders' information only.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors, including the independent non-executive Directors, consider that the provision of the Guarantee and the terms and conditions of the Guarantee Service Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Accordingly, the Directors would recommend the Shareholders to vote in favor of the resolution if the Company were to convene an extraordinary general meeting for the approval of the Guarantee.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information contained in the appendices to this circular.

In the event of any inconsistency between the English version and the Chinese version, the English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

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

FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 December 2016, 2017 and 2018 are disclosed in the annual reports of the Company for the years ended 31 December 2016, 2017 and 2018 respectively, and there was no qualified audit opinion expressed on the consolidated financial statements of the Group for the three years ended 31 December 2018.

The said annual reports of the Group are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chinasuccessfinance.com):

- annual report of the Group for the year ended 31 December 2016 posted on 20 April 2017: <https://www1.hkexnews.hk/listedco/listconews/sehk/2017/0420/ltn20170420246.pdf>
- annual report of the Group for the year ended 31 December 2017 posted on 20 April 2018: <https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0420/ltn20180420657.pdf>
- annual report of the Group for the year ended 31 December 2018 posted on 18 April 2019: <https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0418/ltn201904181232.pdf>

INDEBTEDNESS STATEMENT

The indebtednesses of the Group include the convertible bonds with a total principal amount of HK\$84,000,000 subscribed by Chance Talent Management Limited and issued by the Group and 6.0% interest-bearing notes with a nominal value of HK\$60,000,000. Mr. Zhang Tiewei has agreed to provide personal guarantee for timely performance and compliance with their obligations under the transaction documents by the Responsible Persons.

As at 30 November 2019, the Group had finance lease liabilities of RMB281,304. The asset arranged under finance lease was a vehicle for the purpose of business operation.

Except as stated above and otherwise disclosed in this circular, and in addition to the inter-company liabilities within the Group, at the close of business on 13 December 2019, the Group did not have any loan capital that have been issued but not repaid or agreed to be issued, bank overdrafts, loans or other similar indebtedness, acceptance liabilities or acceptance credits, bonds, mortgages, charges, hire purchase commitments, guarantees or any contingent liabilities.

FINANCIAL AND TRADING PROSPECTS

The income of the Group for the year ended 31 December 2018 was RMB56,078,000 (from the audited financial statement for the year ended 31 December 2017: RMB89,822,000) and the profit for the year was RMB5,281,000 (from the audited financial statement for the year ended 31 December 2017: RMB15,651,000).

The Group will respond to the call of the country to increase support for micro, small and medium-sized enterprises, seize the opportunities to continue the steady development of traditional businesses, and optimize resource allocation and actively explore new products by utilizing certain business channels such as guarantees, financial leasing and factoring to provide integrated financial services for micro, small and medium-sized enterprises. Besides, the Group will advance the construction of Greater Bay Area, participate in the promotion of integrated services in Greater Bay Area, and seize the opportunities to enhance the strength of the Group by way of investment and mergers, so as to achieve the rapid development of the Group.

STATEMENT OF SUFFICIENCY OF WORKING CAPITAL

After taking into account the effect of the current transaction, the financial resources available to the Group, including internally generated funds of the Group, the Directors, after due and careful enquiry, are of the opinion that the Group, in the absence of unforeseeable circumstances, will have sufficient working capital for 12 months from the date of this circular.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

DISCLOSURE OF INTEREST**(a) Director's interests**

As at the Latest Practicable Date, the interests and short positions, if any, of the Directors or the chief executive of the Company in the Shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions in the Shares

Name of Director	Capacity	Notes	Number of Shares	Approximate Percentage of Shareholding (Note 6)
Mr. Zhang Tiewei	(1) Beneficial Interest	3	1,638,000	47.96%
	(2) Interest in a controlled corporation		249,954,000	
Mr. Xu Kaiying	Interest in a controlled corporation	3	251,592,000	47.96%
Mr. Pang Haoquan	Interest in a controlled corporation	3	251,592,000	47.96%
Mr. He Darong	Interest in a controlled corporation		45,000,000	8.58%
Mr. Li Bin	Beneficial Interest	1	1,000,000	0.19%
Ms. Dai Jing	Beneficial Interest	1	900,000	0.17%

Notes:

1. The Company granted 1,000,000 and 900,000 options under the Pre-IPO Share Option Scheme to Mr. Li Bin and Ms. Dai Jing on 6 November 2013. None of the options granted to Mr. Li Bin and Ms. Dai Jing had been exercised from 13 November 2013 (the “Listing Date”) to the Latest Practicable Date.
2. Calculated with reference to the number of issued Shares (524,635,000) as at the Latest Practicable Date.
3. Pursuant to an acting in concert confirmation dated 31 May 2015, Mr. Zhang Tiewei, Mr. Xu Kaiying, Mr. Pang Haoquan and Mr. Chen Guoxian confirmed they have been acting in concert, in exercising and implementing the management and operation of the Group with each other and reached consensus before making any commercial decisions (including financial decisions and business operation decisions) on an unanimous basis. Hence, Mr. Zhang Tiewei, Mr. Xu Kaiying, Mr. Pang Haoquan and Mr. Chen Guoxian are deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.

(ii) Share options granted to the Directors pursuant to the share option scheme adopted by the Company on 18 October 2013

Name of director	Date of grant	Exercise Period (subject to vesting period)	Exercise price per share HKD	Number of shares subject to outstanding options as at the Latest Practicable Date	Approximate percentage of our Company’s issued capital
Li Bin	6 November 2013	30 June 2014 — 5 November 2023	1.9	1,000,000	0.19%
Dai Jing	6 November 2013	30 June 2014 — 5 November 2023	1.9	900,000	0.17%

Note: Percentage was calculated based on the total number of issued shares (524,635,000) of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company or their respective associates had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' interests

As at the Latest Practicable Date, so far as was known to the Directors or the chief executive of the Company, the following are the details of the persons (other than the Directors, supervisors or chief executives of the Company) who had an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Long positions in the Shares

Name of Shareholder	Capacity	Notes	Number of Shares	Approximate Percentage of Shareholding
Expert Depot Limited	Beneficial interest	1	251,592,000	47.96%
Bliss Success Investments Limited	Beneficial interest	1	251,592,000	47.96%
Novel Heritage Limited	Beneficial interest	1	251,592,000	47.96%
Mr. Chen Guoxian	Interest in a controlled corporation	1	251,592,000	47.96%
Insider Solution Limited	Beneficial interest	1	251,592,000	47.96%
New Maestro Investments Limited	Beneficial interest		45,000,000	8.58%

Notes:

- Pursuant to an acting in concert confirmation dated 31 May 2015, Mr. Zhang Tiewei, Mr. Xu Kaiying, Mr. Pang Haoquan and Mr. Chen Guoxian confirmed they have been acting in concert, in exercising and implementing the management and operation of the Group with each other and reached consensus before making any commercial decisions (including financial decisions and business operation decisions) on an unanimous basis. Hence, Mr. Zhang Tiewei, Mr. Xu Kaiying, Mr. Pang Haoquan and Mr. Chen Guoxian are deemed to be interested in all the Shares held by them in aggregate by virtue of the SFO.

Save as disclosed above and so far as was known to the Directors, as at the Latest Practicable Date, no other person (other than the Directors, the supervisors or chief executives of the Company) had an interest or short position in the Shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

DIRECTORS' INTEREST IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement, which was significant in relation to the business of the Group; and
- (b) none of the Directors nor their respective associates had any direct or indirect interests in any assets which had been acquired or disposed by or leased to, any member of the Group since 31 December 2018, being the date to which the latest published audited financial statements of the Group were made up.

COMPETING INTERESTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors and their respective close associates were considered to have any interest in businesses which competes or was likely to compete, whether directly or indirectly, with the business of the Group that need to be disclosed pursuant to Rule 14.66(8) of the Listing Rules.

None of the Directors or their associates was materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group.

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Group which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were of the view that there was no material adverse change in the financial or trading position of the Group since 31 December 2018, being the date to which the latest published audited consolidated financial statements of the Company were made up.

LITIGATION

As at the Latest Practicable Date, none of the members of the Group were engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

MATERIAL CONTRACTS

The following contracts (not being in the ordinary course of business of the Group) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date that are or may be material:

- (a) On 1 February 2018, Success Guarantee entered into a guarantee contract with Guangdong Hua Huang Investment Company Limited* (廣東花皇投資有限公司) (the “Hua Huang”) and Heshan Huan Ya Investment Company Limited* (鶴山市環亞投資有限公司) (the “Huan Ya”), pursuant to which Success Guarantee agreed to provide a litigation guarantee, the amount of which shall not exceed RMB80,000,000 (equivalent to approximately HK\$99,200,000), to a PRC Court in support of an application by Hua Huang and Huan Ya for a property preservation order. The guarantee fee amounted to 0.2% of the guaranteed amount. Further details of the guarantee contract are set out in the announcement of the Company dated 1 February 2018.
- (b) On 25 January 2018, the Company entered into the subscription agreement with Chance Talent Management Limited, pursuant to which the Company has conditionally agreed to issue, and Chance Talent Management Limited has conditionally agreed to subscribe for the convertible bonds in the aggregate principal amount of HK\$154,000,000 upon and subject to the terms and conditions set out in the subscription agreement. Further details of the subscription agreement are set out in the announcements of the Company dated 25 January 2018 and 1 February 2018. On 27 December 2018, the Company, Chance Talent Management Limited and Responsible Persons agree to amend the terms of the subscription agreement and the terms and conditions of the convertible bonds, details of which are set out in the announcements of the Company dated 27 December 2018, 31 December 2018 and 11 January 2019, respectively.
- (c) On 3 July 2019, the Company’s wholly-owned subsidiary Shenzhen Success Financial Leasing Company Limited (深圳市集成融資租賃有限公司) (the “Success Financial Leasing”) and Guangdong Yinhe Motorcycle Group Co., Ltd (廣東銀河摩托車集團有限公司) (“Yinhe Motorcycle”) entered into a capital injection agreement, pursuant to which, Success Financial Leasing and Yinhe Motorcycle conditionally agreed to the capital injection of RMB11,850,000 (equivalent to approximately HK\$13,500,705) by Success Financial Leasing into the Guangdong MuPai Technology Limited Company (廣東睦湃科技有限公司). Further details of the capital injection agreement are set out in the announcement of the Company dated 3 July 2019.

MISCELLANEOUS

- (1) Mr. PANG Chung Fai Benny, aged 47, was appointed as our Company Secretary on 18 October 2013. Between February 2017 to 2019, Mr. Pang is the managing partner of Benny Pang & Co., a firm of solicitors in Hong Kong. Between 2012 to January 2017, Mr. Pang was the managing partner of Loeb & Loeb LLP (formerly known as Pang & Co. in association with Loeb & Loeb LLP), a firm of solicitors in Hong Kong. Between 1997 and 2012, Mr. Pang practised as a lawyer with several international law firms in Hong Kong and Sydney. Mr. Pang received his bachelor's degree in laws from Bond University in 1996. In 1997, Mr. Pang obtained his Graduate Diploma in Legal Practice and master degree in laws from The College of Law and The University of New South Wales, respectively. He was admitted as a legal practitioner of the Supreme Court of New South Wales in 1997 and as a solicitor of the High Court of Hong Kong in 2009. He is a member of both the Law Society of New South Wales and the Law Society of Hong Kong. Mr. Pang is currently (i) an independent non-executive director of Yuanda China Holdings Limited, a company listed on the Main Board of the Stock Exchange with stock code 2789; (ii) an independent non-executive director of Sanbase Corporation Limited, a company listed on the Growth Enterprise Market of the Stock Exchange with stock code 8501; and (iii) a non-executive director of Huabang Financial Holdings Limited, a company listed on the Main Board of the Stock Exchange with stock code 3638.
- (2) The headquarters of the Company is situated at West Wing, 21st Floor, Guangfa Building No. 29 Jihua 5th Road, Chancheng District, Foshan, Guangdong, PRC.
- (3) The principal place of business in Hong Kong of the Company is situated at 604, 6/Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong.
- (4) The Company's Hong Kong branch share registrar is Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (5) Save as otherwise stipulated in this circular, in the event of any inconsistency between the English version and the Chinese version, the English version shall prevail.

DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection at the offices of Benny Pang & Co., the legal advisers to the Company on Hong Kong laws, at Suite 912, 9th Floor, Fairmont House, 8 Cotton Tree Drive, Central, Hong Kong during 9:00 a.m. to 5:00 p.m. on any day on which licensed banks in Hong Kong are open for ordinary business (excluding public holidays and Saturdays) from the date of this circular up to and including the date which is 14 days from the date of this circular:

- (a) the memorandum and Articles of Association of the Company;
- (b) the Guarantee Service Agreement;

- (c) the annual report of the Company for the financial year ended 31 December 2016;
- (d) the annual report of the Company for the financial year ended 31 December 2017;
- (e) the annual report of the Company for the financial year ended 31 December 2018;
- (f) the interim report of the Company for the six months ended 30 June 2019;
- (g) the material contracts referred to in the section of this appendix headed “Material Contracts”; and
- (h) the Circular.