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## **China Success Finance Group Holdings Limited**

**(中國集成金融集團控股有限公司)**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3623)**

### **DISCLOSURE PURSUANT TO RULES 13.13 AND 13.15 OF THE LISTING RULES**

Under Rule 13.13 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), a general disclosure obligation arises where the relevant advance to an entity (as defined under Rule 13.11(2)(c) of the Listing Rules) by China Success Finance Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) and its subsidiaries exceeds 8% of the assets ratio as defined under Rule 14.07(1) of the Listing Rules (the “**Assets Ratio**”).

#### **Background**

On 17 December 2013, Guangdong Success Finance Guarantee Company Limited (“**Success Guarantee**”), the principal operating subsidiary of the Company, entered into a guarantee contract (the “**Guarantee Contract**”) with its customer (the “**Customer**”), applicant of an arbitration case (the “**Arbitration Case**”) in the People’s Republic of China (the “**PRC**”), pursuant to which Success Guarantee agreed to provide a litigation guarantee to a PRC court (the “**PRC Court**”) in support of the Customer’s application for property preservation in the aggregate sum of RMB91,280,000 against the respondents of the Arbitration Case (the “**Respondents**”).

Subsequently on the same date, Success Guarantee issued a guarantee letter (the “**Guarantee Letter**”) to the PRC Court guaranteeing that Success Guarantee will compensate the loss suffered by the Respondents arising from the freezing of the Respondents’ properties in the aggregate sum of RMB91,280,000 as a result of the Customer’s inappropriate application for property preservation.

The guarantee arrangement provided by Success Guarantee under the Guarantee Contract and the Guarantee Letter (the “**Litigation Guarantee Arrangement**”) is a typical litigation guarantee service provided by Success Guarantee and was made in the ordinary and usual course of business of Success Guarantee.

As the Litigation Guarantee Arrangement constituted a relevant advance to an entity under Rule 13.11(2)(c) of the Listing Rules and exceeded 8% of the Assets Ratio, it is subject to the disclosure obligations under Rule 13.13 and 13.15 of the Listing Rules.

To the best knowledge, information and belief of the directors of the Company (the “**Directors**”), having made all reasonable enquiries, the Customer and the Respondents are third party independent of the Company and its connected persons (as defined under the Listing Rules).

### **Relevant advance to an entity exceeding 8% under the Assets Ratio**

Details of calculation of the Assets Ratio are set out below:

<b>Amount of guarantee under the Litigation Guarantee Arrangement</b>	<b>Amount of the published audited total assets of the Group as at 31 May 2013</b>	<b>% of the amount of guarantee under the Litigation Guarantee Arrangement to the amount of the published audited total assets of the Group as at 31 May 2013</b>
RMB 91,280,000	RMB 469,695,000	19.4%

### **Collateral and risk management**

No collateral had been provided to Success Guarantee to secure the guarantee provided by Success Guarantee under the Litigation Guarantee Arrangement.

As part of Success Guarantee’s risk management process, before the entering into the Litigation Guarantee Arrangement, Success Guarantee had considered, among others, the cause of action of the Customer, the circumstances of the Arbitration Case, the evidences in support of the Customer’s case and the merits of the Customer’s case. The management of Success Guarantee was of the view that the risk for Success Guarantee to honor the guarantee is minimal.

In the event that Success Guarantee is required to honor the guarantee, the Customer has a contractual obligation under the Guarantee Contract to indemnify Success Guarantee for the amount it paid to the PRC Court on the Customer's behalf and a default interest calculated according to a rate specified in the contract as mutually agreed by Success Guarantee and the Customer.

In the event that Success Guarantee is required to honor the guarantee because of the false, incorrect or inconsistent information provided by the Customer, or because of the concealment of any relevant fact by the Customer, the Customer shall indemnify Success Guarantee for (i) the amount Success Guarantee paid to the PRC Court on the Customer's behalf; (ii) the damages caused to Success Guarantee in relation to the guarantee; and (iii) a liquidated damages equivalent to 20% of the amount guaranteed by Success Guarantee to the PRC Court.

The board ("Board") of Directors is of the view that the Litigation Guarantee Arrangement was entered into on normal commercial terms and was fair and reasonable and in the interests of the Company and its shareholders as a whole.

#### **Waiver from strict compliance with Rule 13.15 of the Listing Rules**

The Company has applied for a waiver from strict compliance with the requirements under Rule 13.15 of the Listing Rules in relation to the disclosure of details of identity of relevant entity(ies) under the Litigation Guarantee Arrangement.

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

Hong Kong, 20 December 2013

*As at the date of this announcement, the Board comprises (i) two executive Directors, namely Mr. Zhang Tiewei and Mr. Li Bin, (ii) three non-executive Directors, namely, Mr. He Darong, Mr. Xu Kaiying and Mr. Pang Haoquan, and (iii) three independent non-executive Directors, namely, Mr. Tsang Hung Kei, Mr. Au Tien Chee Arthur and Mr. Xu Yan.*