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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)**

### **DISCLOSEABLE TRANSACTIONS**

#### **EQUITY TRANSFER AGREEMENTS IN RELATION TO THE EQUITY INTERESTS OF SUCCESS CREDIT**

The Board is pleased to announce that on 16 May 2014 (after trading hours), Success Guarantee entered into Equity Transfer Agreements with Ms. Feng and Guangdong Xinmingzhu respectively pursuant to which Success Guarantee agreed to purchase and Ms. Feng and Guangdong Xinmingzhu agreed to sell 3.64% and 4.55% of the equity interests in Success Credit for a consideration of RMB9,507,500 and RMB11,884,400, respectively. Upon completion of the Acquisitions, the Company equity interests in Success Credit will be increased from 19.09% to 27.28%.

As the Acquisitions involve the acquisition of equity interests in one particular company, the Acquisitions should be aggregated pursuant to Rule 14.23 of the Listing Rules. As certain of the applicable percentage ratios in respect of the Acquisitions are more than 5% but less than 25%, the Acquisitions constitutes discloseable transactions for the Company under Chapter 14 of the Listing Rules.

### **INTRODUCTION**

The Board is pleased to announce that on 16 May 2014 (after trading hours), Success Guarantee entered into Equity Transfer Agreements with Ms. Feng and Guangdong Xinmingzhu respectively pursuant to which Success Guarantee agreed to purchase and Ms. Feng and Guangdong Xinmingzhu agreed to sell 3.64% and 4.55% of the equity interests in Success Credit for a consideration of RMB9,507,500 and

RMB11,884,400, respectively. The aggregate consideration for the Acquisitions is RMB21,391,900 (equivalent to approximately HK\$27,167,713) (the “**Total Consideration**”). Upon completion of the Acquisitions, the Company equity interests in Success Credit will be increased from 19.09% to 27.28%.

## **THE ACQUISITIONS**

**The principal terms of the Equity Transfer Agreement I are summarized as follows**

**Date** : 16 May 2014

**Parties** : (1) Ms. Feng (as the vendor)  
(2) Success Guarantee (as purchaser)

**Asset to be acquired** : Sale Equities I

### **Consideration and payment schedule:**

The consideration for Equity Transfer Agreement I is RMB9,507,500 (equivalent to approximately HK\$12,074,525), which shall be fully paid in cash by Success Guarantee within 10 Business Days after the equity transfer has been approved by the Foshan Finance Office.

**The principal terms of the Equity Transfer Agreement II are summarized as follows**

**Date** : 16 May 2014

**Parties** : (1) Guangdong Xinmingzhu (as the vendor)  
(2) Success Guarantee (as purchaser)

**Asset to be acquired** : Sale Equities II

### **Consideration and payment schedule:**

The consideration for Equity Transfer Agreement II is RMB11,884,400 (equivalent to approximately HK\$15,093,188), which shall be fully paid in cash by Success Guarantee within 10 Business Days after the equity transfer has been approved by the Foshan Finance Office.

## **Total Consideration**

The Total Consideration was arrived at after arm's length negotiations between the parties to the Equity Transfer Agreements with reference to the audited net asset value of Success Credit as of 31 December 2013 prepared in accordance with the PRC Generally Accepted Accounting Principles of approximately RMB278.5 million (equivalent to approximately HK\$353.7 million) net of dividends declared for 2013 financial year in 2014 of approximately RMB15.0 million (equivalent to approximately HK\$19.1 million). The Group intends to use its internal resources and cash generated from its operation to pay for the Total Consideration of the Acquisitions.

## **Completion**

The completion of the Acquisitions is subject to the completion of registration of the Equity Transfer Agreements with the relevant governmental authority.

## **INFORMATION ON THE GROUP**

The Group is principally engaged in the provision of financial and non-financial guarantee services and financial consultancy services in Foshan City, Guangdong Province, the PRC.

## **INFORMATION ON THE VENDORS**

Ms. Feng is a PRC citizen and Guangdong Xinmingzhu is principally engaged in the manufacturing and sales of ceramic products.

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Ms. Feng and Guangdong Xinmingzhu together with its ultimate beneficial owners, are third parties independent of the Company and its connected persons.

## **INFORMATION OF SUCCESS CREDIT**

Success Credit is principally engaged in the provision of micro-credit services. As at the date of this announcement, it is an associate of the Group and is owned as to 19.09% by Success Guarantee, 9.09% by Mr. He, 3.64% by Ms. Feng, 4.55% by Guangdong Xinmingzhu and the remaining 63.63% by six Independent Third Parties, respectively. Upon completion of the Acquisitions, Ms. Feng and Guangdong Xinmingzhu will cease to be the equity shareholders of Success Credit and Success Credit will be owned as to 27.28% by Success Guarantee, 9.09% by Mr. He and the remaining 63.63% by six Independent Third Parties, respectively.

Based on the unaudited financial statements of Success Credit for the two years ended 31 December 2012 and 2013 prepared in accordance with the Hong Kong Financial Reporting Standards, Success Credit recorded loss before taxation of approximately RMB18.2 million (equivalent to approximately HK\$23.1 million) and profit before taxation of approximately RMB52.0 million (equivalent to approximately HK\$66.0 million), respectively; and loss after taxation of approximately RMB12.8 million (equivalent to approximately HK\$16.3 million) and profit after taxation of approximately RMB39.1 million (equivalent to approximately HK\$49.7 million), respectively. Based on the unaudited financial statement of Success Credit for the year ended 31 December 2013 prepared in accordance with the Hong Kong Financial Reporting Standards, Success Credit recorded net asset value of approximately RMB247.9 million (equivalent to approximately HK\$314.8 million) as of 31 December 2013.

## **REASONS FOR AND BENEFITS OF THE ACQUISITIONS**

The Board believes that the Acquisitions will allow the Group to increase the equity interests in Success Credit and further enhance the Group's profits and return of Shareholders in the future.

The Board is of the view that the terms of the Acquisitions are on normal commercial terms and are fair and reasonable and in the interests of the Group and the Shareholders as a whole.

## **GENERAL**

As the Acquisitions involve the acquisition of equity interests in one particular company, the Acquisitions should be aggregated pursuant to Rule 14.23 of the Listing Rules. As certain of the applicable percentage ratios in respect of the Acquisitions are more than 5% but less than 25%, the Acquisitions constitutes discloseable transactions for the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

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

“Acquisition I”	the acquisition of Sale Equities I by Success Guarantee pursuant to the Equity Transfer Agreement I
“Acquisition II”	the acquisition of Sale Equities II by Success Guarantee pursuant to the Equity Transfer Agreement II

“Acquisitions”	Acquisition I and Acquisition II
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday or public holiday in the PRC) on which banks in the PRC are generally open for normal business
“Company”	China Success Finance Group Holdings Limited (stock code: 3623), a company incorporated in the Cayman Islands with limited liability whose issued Shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement I”	the equity transfer agreement entered into between Ms. Feng and Success Guarantee on 16 May 2014 for the acquisition of Sale Equities I
“Equity Transfer Agreement II”	the equity transfer agreement entered into between Guangdong Xinmingzhu and Success Guarantee on 16 May 2014 for the acquisition of Sale Equities II
“Equity Transfer Agreements”	Equity Transfer Agreement I and Equity Transfer Agreement II
“Foshan Finance Office”	佛山市人民政府金融工作局 (Foshan Municipal Government Finance Office*)
“Group”	the Company and its subsidiaries
“Guangdong Xinmingzhu”	廣東新明珠陶瓷集團有限公司, a company established in the PRC, which is the legal and beneficial owner of 4.55% in Success Credit, an Independent Third Party
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	a third party(ies) independent of the Company and its connected persons

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Mr. He”	Mr. He Darong, a non-executive Director
“Ms. Feng”	Ms. Feng Minqian, a PRC citizen who is the legal and beneficial owner of 3.64% in Success Credit, an Independent Third Party
“PRC”	the People’s Republic of China but for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Equities I”	3.64% of the equity interests in Success Credit, being the entire equity interests owned by Ms. Feng
“Sale Equities II”	4.55% of the equity interests in Success Credit, being the entire equity interests owned by Guangdong Xinmingzhu
“Sale Equities”	Sale Equities I and Sale Equities II
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Success Credit”	佛山市禪城集成小額貸款有限公司 (Foshan Chancheng Success Micro Credit Company Limited*), a limited liability company established under the laws of the PRC on 17 November 2009 and principally engage in the provision of microcredit services. As at the date of this announcement, it is an associate of the Group which is owned as to 19.09% by Success Guarantee, 9.09% by Mr. He, 3.64% by Ms. Feng, 4.55% by Guangdong Xinmingzhu and the remaining 63.63% by six Independent Third Parties,

“Success Guarantee” 廣東集成融資擔保有限公司 (Guangdong Success Finance Guarantee Company Limited\*), a limited liability company established under the laws of the PRC on 26 December 1996 and a principal operating non-wholly-owned subsidiary of the Group

“%” per cent.

*For illustrative purpose only, amount denominated in RMB have been translated into HK\$ at the rate of RMB1.00 = HK\$1.27 in this announcement. No representation is made that any amount in RMB or HK\$ has been, could have been or could be converted at the above rate or any other.*

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

Hong Kong, 16 May 2014

*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.*

*“\*” is for identification purpose only.*