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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 TRANSACTION PROVISION OF GUARANTEE AND ADVANCE TO AN ENTITY UNDER THE GUARANTEE CONTRACT

On 16 July 2014 (after trading hours), Success Guarantee entered into the Guarantee Contract with Baoyuan Real Estate and Lichen Electronics pursuant to which Success Guarantee agreed to provide a litigation guarantee in the maximum sum of RMB81,277,777.76 in favour of the PRC Court by way of issuing the Guarantee Letter in support of the application made by Baoyuan Real Estate and Lichen Electronics for the Property Preservation Order.

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the entering into of the Guarantee Contract constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the relevant disclosure requirements under the Listing Rules.

Pursuant to Rule 13.13 of the Listing Rules, as the amount of the guarantee provided under the Guarantee Contract exceeded 8% of the assets ratio, the provision of the guarantee is also subject to the disclosure requirements under Rule 13.15 of the Listing Rules.

INTRODUCTION

On 16 July 2014 (after trading hours), Success Guarantee entered into the Guarantee Contract with Baoyuan Real Estate and Lichen Electronics pursuant to which Success Guarantee agreed to provide a litigation guarantee in the maximum sum of RMB81,277,777.76 in favour of the PRC Court by way of issuing the Guarantee Letter in support of the application made by Baoyuan Real Estate and Lichen Electronics for the Property Preservation Order.

THE GUARANTEE CONTRACT

Principal terms of the Guarantee Contract

- Date** : 16 July 2014
- Parties** : (1) Baoyuan Real Estate (as guarantee)
(2) Lichen Electronics (as guarantee)
(3) Success Guarantee (as guarantor)
- Guarantee amount** : RMB81,277,777.76
- Guarantee fee** : 0.6% over the guarantee amount. The guarantee fee will be settled in full by the Baoyuan Real Estate and Lichen Electronics on 16 July 2014, or such later date before Success Guarantee issues the Guarantee Letter to the PRC Court

Background information about the Guarantee Contract and the nature of events giving rise to the guarantee amount under the Guarantee Contract

In March 2008, Baoyuan Real Estate and Lichen Electronics (as the purchaser) and the Respondent (as the vendor) entered into a property transfer agreement pursuant to which the Respondent agreed to sell certain PRC properties to Baoyuan Real Estate and Lichen Electronics for the sum of RMB150,000,000. Baoyuan Real Estate and Lichen Electronics paid an aggregate sum of RMB60,000,000 to the Respondent for settling part of the consideration under the property transfer agreement. Due to the breach of the property transfer agreement, Baoyuan Real Estate and Lichen Electronics initiated a series of legal proceedings in the PRC against the Respondent for, among other things, the repayment of RMB60,000,000 and the interests accrued thereon. In October 2013, the Supreme People's Court of the PRC, as a final decision, ordered that Baoyuan Real Estate and Lichen Electronics are, among other things, entitled to the repayment of RMB60,000,000 paid under the property transfer agreement and the interests accrued thereon.

Based on the decision of the Supreme People's Court of the PRC, Baoyuan Real Estate and Lichen Electronics applied to the PRC Court in February 2014 for, among other things, the Property Preservation Order to preserve the properties of the Respondent in the aggregate amount of RMB81,277,777.76, which was the aggregation of RMB60,000,000 (being the amount paid by Baoyuan Real Estate and Lichen Electronics to the Respondent under the property transfer agreement) and RMB21,277,777.76 (being the interests accrued based on the benchmark lending interest rates of the People's Bank of China over the same period).

In support of the application for the Property Preservation Order, Success Guarantee agreed to issue the Guarantee Letter to the PRC Court guaranteeing that Success Guarantee will compensate the loss which may be suffered by the Respondent under the application for the Property Preservation Order. Purpose of the Property Preservation Order is to ensure that the Respondent will not be allowed to transfer or dispose of its assets prior to the conclusion of the enforcement proceedings in the PRC Court.

The provision of guarantee under the Guarantee Contract is a typical litigation guarantee service provided by Success Guarantee.

Termination clause in the Guarantee Contract

If the PRC Court considers that the Guarantee Letter is not sufficient to support the application for the Property Preservation Order and rejects the application, Baoyuan Real Estate and Lichen Electronics shall return the original of the Guarantee Letter to Success Guarantee within five days after such rejection, and Success Guarantee shall refund the guarantee fee to Baoyuan Real Estate and Lichen Electronics upon receiving original of the Guarantee Letter.

Collateral and risk management

Pursuant to the Guarantee Contract, no collateral will be provided by Baoyuan Real Estate and Lichen Electronics to Success Guarantee to secure the guarantee obligations of Success Guarantee under the Guarantee Letter.

As part of Success Guarantee's risk management process, before the entering into of the Guarantee Contract, Success Guarantee had considered, among other things, the legality and reasonableness of the amount of properties to be preserved under the Property Preservation Order, the underlying judgments in support of the application for the Property Preservation Order (including the judgment issued by the Supreme People's Court of the PRC in October 2013), and the legal basis of the Property Preservation Order. The management of Success Guarantee is of the view that the risk for Success Guarantee to honor the guarantee obligations under the Guarantee Letter is minimal.

In the event that Success Guarantee is required to honor the guarantee obligations under the Guarantee Letter, Baoyuan Real Estate and Lichen Electronics have a contractual obligation under the Guarantee Contract to indemnify Success Guarantee for the amount it paid to the PRC Court under the Guarantee Letter together with a default interest.

The Board is of the view that the Guarantee Contract was entered into on normal commercial terms and is fair and reasonable and in the interests of the Company and its shareholders as a whole.

INFORMATION ABOUT THE GROUP AND SUCCESS GUARANTEE

The Group is a guarantee service provider engaging in, among other things, the offering of financial and non-financial guarantee services and financial consultancy services in Foshan City, Guangdong Province, the PRC. Success Guarantee is the principal operating subsidiary of the Group.

INFORMATION ABOUT BAOYUAN REAL ESTATE AND LICHEN ELECTRONICS

Each of Baoyuan Real Estate and Lichen Electronics is a limited liability company established under the laws of the PRC engaging in, among other things, properties development in the PRC and has no business relationship with Success Guarantee prior to the entering into of the Guarantee Contract.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Baoyuan Real Estate and Lichen Electronics are Independent Third Parties.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the entering into of the Guarantee Contract constituted a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the relevant disclosure requirements under the Listing Rules.

Pursuant to Rule 13.13 of the Listing Rules, as the amount of the guarantee provided under the Guarantee Contract exceeded 8% of the assets ratio, the provision of the guarantee is also subject to the disclosure requirements under Rule 13.15 of the Listing Rules.

DEFINITIONS

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

“Baoyuan Real Estate”	Heyuan Yuancheng Baoyuan Real Estate Company Limited* (河源市源城區寶源房地產有限公司), a limited liability company established under the laws of the PRC
“Board”	the board of Directors
“Company”	China Success Finance Group Holdings Limited (Stock Code 3623), a company incorporated in the Cayman Islands whose shares are listed on the main board of the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantee Contract”	the guarantee contract dated 16 July 2014 (after trading hours) entered into between Success Guarantee, Baoyuan Real Estate and Lichen Electronics
“Guarantee Letter”	the guarantee letter is expected to be issued by Success Guarantee in favour of the PRC Court on 16 July 2014 in support of the application of the Property Preservation Order
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons (has the meaning ascribed to it under the Listing Rules)
“Lichen Electronics”	Dongguan Licheng Electronics Industrial Company Limited* (東莞市利成電子實業有限公司), a limited liability company established under the laws of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, but for the purpose of this announcement shall exclude Hong Kong, Macau and Taiwan
“PRC Court”	the High People’s Court of Guangdong Province, the PRC

“Property Preservation Order”	the property preservation order for the preservation of the properties of the Respondent in the aggregate amount of RMB81,277,777.76
“Respondent”	Dongguan Jing Lung Development Company Limited* (東莞市晶隆實業發展有限公司), a limited liability company established under the laws of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Success Guarantee”	Guangdong Success Finance Guarantee Company Limited* (廣東集成融資擔保有限公司), a limited liability company established under the laws of the PRC and the principal operating subsidiary of the Company

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

Hong Kong, 16 July 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.

** For identification purpose only*