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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

平安證券有限公司
Ping An Securities Limited

PLACING OF NEW SHARES

On 2 June 2015 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement whereby the Company has conditionally agreed to allot and issue, and the Placing Agent has agreed to procure on a best effort basis the Placées to subscribe for, the Placing Shares at the Placing Price of HK\$2.68 per Placing Share. 60,000,000 Placing Shares will be allotted and issued under the Placing, which represent approximately 14.49% of the aggregate nominal amount of the issued share capital of the Company as at the date of this announcement.

The Placing Shares will be issued under the General Mandate and therefore the issue of the Placing Shares will not be subject to the approval of the Shareholders.

The aggregate maximum net proceeds from the Placing are approximately HK\$158,712,000, which will be used as general working capital of the Group and for development of the existing and future projects of the Group.

Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares and securities of the Company.

THE PLACING AGREEMENT

Set out below are the principal terms of the Placing Agreement:

Date: 2 June 2015 (after trading hours)

Issuer: the Company

Placing Agent: Ping An Securities Limited

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the Placing Agreement, the Company has agreed to allot and issue, and the Placing Agent has agreed to procure on a best effort basis the Placee(s) to subscribe for, the Placing Shares at the Placing Price of HK\$2.68 per Placing Share.

Placing Commission

The Placing Agent will receive a placing commission of 1% on the aggregate Placing Price of the total number of the Placing Shares actually placed by the Placing Agent in accordance with the Placing Agreement, which was determined with reference to the range of market norms for commission for this type of transaction after arm's length negotiations between the Company and the Placing Agent.

The Directors (including the independent non-executive Directors) consider that the commission for the Placing is fair and reasonable.

Placee(s)

The Placing Shares shall be offered by the Placing Agent to the Placee(s), who, and its(their) ultimate beneficial owners, will be Independent Third Party(ies). It is expected that none of the Placee(s) will become a substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Placing.

Placing Shares

60,000,000 Placing Shares with the aggregate nominal value of HK\$600,000 in aggregate will be allotted and issued pursuant to the Placing, which represent:

- (a) approximately 14.49% of the existing share capital of the Company as at the date of this announcement; and

- (b) approximately 12.66% of the issued share capital of the Company as enlarged by the issue and allotment of all the Placing Shares.

The Placing Shares, when allotted and issued, will rank *pari passu* in all respects among themselves, and with the existing Shares then in issue.

Application for Listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

Placing Price

The Placing Price of HK\$2.68 per Placing Share represents:

- (a) a discount of approximately 18.29% to the closing price of HK\$3.28 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (b) a discount of approximately 2.55% to the average closing price of approximately HK\$2.75 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the Last Trading Day.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent, with reference to recent trading prices of the Shares and taking into account the effect of the Lock-up Period.

Conditions of the Placing

Completion of the Placing is conditional upon (unless otherwise waived by the Placing Agent) the following:

- (a) the listing committee of the Stock Exchange granting or agreeing to grant listing of, and permission to deal in, the Placing Shares on or before the Long Stop Date;
- (b) the Company shall use all reasonable endeavors to procure the condition (a) is fulfilled in accordance with its terms (including by making an application to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares as soon as practicable) on or before the Long Stop Date and for that purpose will give all such undertakings, execute such documents and do such other things as may be reasonably necessary to procure the fulfillment of such conditions.

If all the conditions, or any of them, are not satisfied by the Long Stop Date the obligations and liabilities of the Placing Agent and the Company under the Placing Agreement shall be null and void and the Company and the Placing Agent shall be released from all rights and obligations pursuant to the Placing Agreement.

Completion of the Placing

Completion of the Placing will take place on the a day, on or before 23 June 2015, after fulfillment of the above conditions or as may be agreed between the Parties (or such other date as the Parties may agree).

Further announcement(s) will be made by the Company upon completion of the Placing.

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

The Placing Shares will be issued under the General Mandate. Under the General Mandate, the Directors are authorised to issue 82,808,800 Shares. Assuming 60,000,000 Placing Shares are issued under the Placing, there will be remaining 22,808,800 Shares available to be issued under the General Mandate after the Placing. As the Placing Shares are to be issued under the General Mandate, the Placing is not subject to Shareholders' approval.

REASONS FOR AND BENEFITS IN THE PLACING

The Group is a financial service provider engaging in, among other things, the offering of financial guarantee, non-financial guarantee, financial leasing, financial consultancy and equity investment services in Guangdong Province, the PRC.

The Company considers that the Placing represents a good opportunity to raise additional capital and strengthen the cash flow for the Company as well as broadening the shareholder base and capital base of the Company.

The Directors also consider that the Placing Agreement was entered into on normal commercial terms after arm's length negotiations between the Company and the Placing Agent and that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable so far as the interests of the Company and its Shareholders as a whole are concerned.

USE OF PROCEEDS

The maximum gross proceeds from the Placing are approximately HK\$160,800,000. The maximum net proceeds from the Placing (after deducting the placing fee and other related expenses payable by the Company) are approximately HK\$158,712,000. The net proceeds raised per Placing Share are approximately HK\$2.65.

The aggregate maximum net proceeds from the Placing are approximately HK\$158,712,000, which will be used as general working capital of the Group and for development of the existing and future projects of the Group.

SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 414,044,000 Shares in issue; and share options to subscribe for 10,000,000 Shares.

For illustration purpose, the table below set out the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Placing assuming all the Placing Shares have been placed out; and (iii) immediately after completion of the Placing and upon full conversion of all outstanding share options before and after the Placing:

Shareholders	As at the date of this announcement		Immediately after completion of the Placing assuming all the Placing Shares have been placed out (Note 1)		Immediately after completion of the Placing and upon full conversion of all outstanding share options (Note 1)	
	No. of Shares	Appropriate %	No. of Shares	Appropriate %	No. of Shares	Appropriate %
Expert Depot Limited (Note 2)	240,000,000	57.96	240,000,000	50.63	240,000,000	49.58
Bliss Success Investments Limited (Note 3)	240,000,000	57.96	240,000,000	50.63	240,000,000	49.58
Novel Heritage Limited (Note 4)	240,000,000	57.96	240,000,000	50.63	240,000,000	49.58
Insider Solution Limited (Note 5)	240,000,000	57.96	240,000,000	50.63	240,000,000	49.58
New Maestro Investments Limited (Note 6)	60,000,000	14.49	60,000,000	12.66	60,000,000	12.40
Public Shareholders						
Placee(s)	—	—	60,000,000	12.66	60,000,000	12.40
Holder(s) of outstanding share options	—	—	—	—	10,000,000	2.07
Other public shareholders	<u>129,034,000</u>	<u>31.17</u>	<u>129,034,000</u>	<u>27.22</u>	<u>129,034,000</u>	<u>26.66</u>
Total	<u>414,044,000</u>	<u>100</u>	<u>474,044,000</u>	<u>100</u>	<u>484,044,000</u>	<u>100</u>

Note 1: The shareholding structure of the Company (i) immediately after completion of the Placing assuming all the Placing Shares have been placed out; and (ii) immediately after completion of the Placing and the allotment and issue of the Shares upon full conversion of all outstanding share options of the Company as at the date of the Placing Agreement set out above is for illustrative purpose only (assuming that there is no other change in the issued share capital of the Company from the date of this announcement up to (i) the date of completion of the Placing; or (ii) the date of completion of the Placing and full conversion of the all outstanding share options of the Company as at the date of the Placing Agreement).

Note 2: Expert Depot Limited is a company incorporated in the BVI whose entire issued share capital is held by Mr. Zhang Tiewei, our chairman and the executive Director.

Note 3: Bliss Success Investments Limited is a company incorporated in the BVI whose entire issued share capital is held by Mr. Xu Kaiying, the non-executive Director.

Note 4: Novel Heritage Limited is a company incorporated in the BVI whose entire issued share capital is held by Mr. Pang Haoquan, the non-executive Director.

Note 5: Insider Solution Limited is a company incorporated in the BVI whose entire issued share capital is held by Mr. Chen Guoxian, a substantial shareholder.

Note 6: New Maestro Investments Limited is a company incorporated in the BVI whose entire issued share capital is held by Mr. He Darong, the non-executive Director.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company did not have any fund raising activity on any issue of equity securities in the past twelve months prior to the date of this announcement.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under The Hong Kong Code on Takeovers and Mergers
“AGM”	the annual general meeting of the Company held on 19 May 2015
“Board”	the board of Directors
“BVI”	the British Virgin Islands

“Company”	China Success Finance Group Holdings Limited (中國集成金融集團控股有限公司), a company incorporated in Cayman Islands with limited liability whose issued Shares are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the resolution of the Shareholders passed at the AGM to allot, issue and deal with Shares and to make or grant offers, agreements and options which may require Shares to be issued, allotted or dealt with, which is subject to the limit of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM (i.e. 82,808,000 Shares)
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) who is/are third party(ies) not being connected person(s) (as defined in person(s) who is/are independent of the Company and its connected persons (as defined in the Listing Rules) and is/are not connected with, or party acting in concert with, any of the directors, chief executive and substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules)
“Last Trading Day”	2 June 2015, being the date of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	19 June 2015 (or such later date as may be agreed by the Parties in writing)
“Placee(s)”	any persons procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement

“Placing”	the placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s) pursuant to the Placing Agreement
“Placing Agent”	Ping An Securities Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO in Hong Kong and the placing agent to the Company under the Placing
“Placing Agreement”	the placing agreement dated 2 June 2015 and entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$2.68 per Placing Share
“Placing Shares”	60,000,000 new Shares to be issued by the Company pursuant to the Placing Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“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)”	holder(s) of Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 3 June 2015

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. Zhang Tiewei, Mr. Chen Hui 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.