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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**

**Cheong Lee**  
昌利證券

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 19 September 2016 (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 efforts basis the Placees to subscribe for the Placing Shares at the Placing Price of HK\$2.00 per Placing Share. A maximum of 94,500,000 Placing Shares will be allotted and issued under the Placing, which represent approximately 19.90% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.59% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares.

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\$187,110,000, which will be used as general working capital of the Group and for development of the existing and future projects of the Group.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

**Completion of the Placing is subject to the satisfaction of the condition 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:** 19 September 2016 (after trading hours)

**Issuer:** the Company

**Placing Agent:** Cheong Lee 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 efforts basis the Placee(s) to subscribe for the Placing Shares at the Placing Price of HK\$2.00 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 not less than six Placees, being institutional, professional and/or private investors, who and whose ultimate beneficial owners are 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**

The maximum of 94,500,000 Placing Shares with the aggregate nominal value of HK\$945,000 in aggregate will be allotted and issued pursuant to the Placing, which represent:

- (a) approximately 19.90% of the existing share capital of the Company as at the date of this announcement; and

- (b) approximately 16.59% of the issued share capital of the Company as enlarged by the allotment and issue 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\$2.00 per Placing Share represents:

- (a) a discount of approximately 6.54% to the closing price of HK\$2.14 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (b) a discount of approximately 7.83% to the average closing price of approximately HK\$2.17 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.

### **Condition of the Placing**

Completion of the Placing is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Placing Shares on or before the Long Stop Date.

If the condition is not fulfilled by the Long Stop Date, the Placing Agreement shall terminate and neither of the Company and the Placing Agent shall have any claim against the other (save in respect of any antecedent breach).

### **Termination of the Placing**

Notwithstanding anything contained in the Placing Agreement, if, at any time prior to 12:00 noon on the completion date of the Placing, in the reasonable opinion of the Placing Agent the success of the Placing or the business or financial condition of the Group would or is likely to be materially and adversely affected by:

- (a) any material breach of any of the representations and warranties set out in the Placing Agreement; or

- (b) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than five trading days (other than in connection with the Placing); or
- (c) any of the following events:
  - (i) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
  - (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
  - (iii) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
  - (iv) a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group; or
  - (v) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received by the Company prior to 12:00 noon on the completion date of the Placing Agreement.

In the event that the Placing Agent terminates the Placing Agreement pursuant to the clauses of the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

## **Completion of the Placing**

Completion of the Placing will take place on the third business day after fulfillment of the above condition or such other date as the Company and the Placing Agent may agree.

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

**Completion of the Placing is subject to the satisfaction of the condition 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.**

## **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 94,982,800 Shares. Assuming 94,500,000 Placing Shares are issued under the Placing, there will be remaining 482,800 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 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 and in the interests of the Company and its Shareholders as a whole.

## **USE OF PROCEEDS**

The maximum gross proceeds from the Placing are approximately HK\$189,000,000. The maximum net proceeds from the Placing (after deducting the placing commission and other related expenses payable by the Company) are approximately HK\$187,110,000. The net proceeds raised per Placing Share are approximately HK\$1.98.

The aggregate maximum net proceeds from the Placing are approximately HK\$187,110,000, which will be used as general working capital of the Group and for development of the existing and future projects of the Group.

## 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.

## EFFECT ON SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company had 475,018,000 Shares in issue; and outstanding share options to subscribe for 8,826,000 Shares.

For illustration purpose, the table below sets 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 that 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	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Expert Depot Limited (Notes 2,8)	114,750,000	24.16	114,750,000	20.15	114,750,000	19.84
Bliss Success Investments Limited (Notes 3,8)	56,250,000	11.84	56,250,000	9.88	56,250,000	9.73
Novel Heritage Limited (Notes 4,8)	54,000,000	11.37	54,000,000	9.48	54,000,000	9.34
Insider Solution Limited (Notes 5,8)	15,000,000	3.16	15,000,000	2.63	15,000,000	2.59
New Maestro Investments Limited (Note 6)	45,000,000	9.47	45,000,000	7.90	45,000,000	7.78
Mr. Li Bin (Note 7)	—	—	—	—	1,000,000	0.17

Shareholders	As at the date of this announcement		Immediately after completion of the Placing assuming that 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	Approximate	No. of	Approximate	No. of	Approximate
	Shares	%	Shares	%	Shares	%
<b>Public Shareholders</b>						
Placee(s)	—	—	94,500,000	16.59	94,500,000	16.34
Holder(s) of outstanding share options	—	—	—	—	7,826,000	1.35
Other public shareholders	<u>190,018,000</u>	<u>40.00</u>	<u>190,018,000</u>	<u>33.36</u>	<u>190,018,000</u>	<u>32.86</u>
<b>Total</b>	<u>475,018,000</u>	<u>100</u>	<u>569,518,000</u>	<u>100</u>	<u>578,344,000</u>	<u>100</u>

*Note 1: The shareholding structure of the Company (i) immediately after completion of the Placing assuming that all the Placing Shares have been placed out and assuming that there is no change in the share capital of the Company between the date of this announcement and completion of the Placing; 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 an 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, an 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, a 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, a non-executive Director.*

*Note 7: Mr. Li Bin is an executive Director. The Company granted 1,000,000 options under the pre-IPO share option scheme to Mr. Li Bin on 6 November 2013.*

*Note 8: 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 that 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, that is, 240,000,000 Shares, representing approximately 50.53% of the issued share capital of the Company as at the date of this announcement, by virtue of the SFO.*

## **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 2016
“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 the 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 allotted, issued or dealt with, which is subject to the limit of 20% of the number of issued shares of the Company as at the date of the AGM (i.e. 94,982,800 Shares)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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”	19 September 2016, being the date of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	11 October 2016 (or such later date as may be agreed between the Company and the Placing Agent)
“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”	Cheong Lee Securities Limited, a corporation licensed to carry out type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities) and type 5 (advising on futures contracts) regulated activities under the SFO in Hong Kong and the placing agent to the Company under the Placing
“Placing Agreement”	the placing agreement dated 19 September 2016 and entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	HK\$2.00 per Placing Share
“Placing Shares”	a maximum of 94,500,000 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
“%”	per cent.

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

Hong Kong, 19 September 2016

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