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China Success Finance Group Holdings Limited

中國金融發展（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3623)

POSITIVE PROFIT ALERT

This announcement is made by China Success Finance Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the Group’s unaudited management accounts for the six months ended 30 June 2021 (the “**Interim Period**”) and information currently available to the Board, the Group is expected to record a turn from net loss to net profit during the Interim Period as compared to the same period last year, from net loss of approximately RMB17.12 million to net profit of approximately RMB6.3 million, which amounts to an increase of approximately 137%.

The turn from net loss to net profit is mainly attributable to the significant reduction in the Group’s amortized costs, expenses and losses in the Interim Period and the Group’s income and revenue generated in the Interim Period exceeding such reduced costs.

The significant reduction in the Group’s amortized costs, expenses and losses in the Interim Period is mainly attributable to:

1. the significant reduction in the Group’s operating expenses and investment losses in joint venture enterprises during the Interim Period as compared to the same period last year; and
2. the significant reduction in the Group's asset impairment loss and reversal of provision in the Interim Period of approximately RMB5.1 million.

The Group is expected to record revenue of approximately RMB62.4 million in the Interim Period, representing a decrease of approximately 17% from the same period last year. The main reasons for the decline in revenue were:

1. the decrease in new guarantee business during the Interim Period because of the adjustment of business structure; and
2. the decrease in guarantee income recognized in the Interim Period from deferred revenue of previous years as a result of the gradual maturity of the existing guarantee business.

The Company is still in the process of finalizing the interim results of the Group. The information contained in this announcement represents a preliminary assessment by the Board based on the unaudited management accounts of the Group for the Interim Period (which have not been audited or reviewed by the Group's auditor) and the information currently available. The Group will disclose further details of the Group's financial performance when the financial results for the Interim Period are announced, which are expected to be published towards the end of August 2021.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 18 August 2021

As at the date of this announcement, the Board comprises (i) five executive directors, namely, Mr. Zhang Tiewei, Mr. Li Bin, Ms. Dai Jing, Mr. Xu Kaiying and Mr. Pang Haoquan and (ii) four independent non-executive directors, namely, Mr. Tsang Hung Kei, Mr. Au Tien Chee Arthur, Mr. Xu Yan and Mr. Zhou Xiaojiang.