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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)**

### **SUPPLEMENTAL AND COMPLETION ANNOUNCEMENT OF FURTHER ALTERATIONS OF THE TERMS AND CONDITIONS OF THE CONVERTIBLE BOND**

Reference is made to the announcement of China Success Finance Group Holdings Limited (the “**Company**”) dated 24 September 2021 (the “**Announcement**”) in respect of further alterations of the terms and conditions of the Convertible Bond. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

#### **ULTIMATE BENEFICIAL OWNER OF THE PURCHASER**

The Purchaser to the Second Supplemental Deed of Amendment is Chance Talent Management Limited, a company incorporated in the British Virgin Islands with limited liability. As of the date of this announcement, the ultimate beneficial owner of Chance Talent Management Limited is China Construction Bank Corporation (Stock Code: 0939).

#### **AMOUNT PAYABLE BY THE COMPANY UPON REDEMPTION OF CONVERTIBLE BONDS**

Pursuant to the Second Supplemental Deed of Amendment, the Company shall redeem all the outstanding Convertible Bonds held by the Purchaser on the extended maturity date of 31 January 2022 (“**Extended Maturity Date**”), at an amount which comprises the following:

1. the aggregate principal amount of the outstanding Convertible Bonds held by the Purchaser;
2. any accrued but unpaid interest (including any default interest) and outstanding administrative fees on the remaining principal amount of the Convertible Bonds; and
3. an amount that would yield an Internal Rate of Return of 10.5 per cent on the aggregate principal amount of the Convertible Bonds held by the Purchaser from the date of issue of the Convertible Bonds on 1 February 2018 (the “**Issue Date**”) until the date on which the entire outstanding amount of such redemption fee payable has been fully paid by the Company to the Purchaser (the “**Internal Rate of Return Yield**”).

As of the date of this announcement, payable interest of 6.5 per cent per annum on the principal amount of the outstanding Convertible Bonds in the aggregate sum of HK\$4,160,000.00 have been settled by the Company on 1 February 2021 and 1 August 2021 and no further interest is payable by the Company between the date of entering into the Second Supplemental Deed of Amendment on 23 September 2021 and the Extended Maturity Date. Any payable default interest has been waived by the Purchaser pursuant to the Second Supplemental Deed of Amendment.

As one of the conditions precedent to the completion of the Second Supplemental Amendments, the Company shall pay to the Purchaser and the Purchaser having received HK\$5,500,000.00 of additional administrative fee. The Company is also required to pay the Purchaser a further HK\$4,000,000.00 of additional administrative fee no later than 1 November 2021. As of the date of this announcement, the Company has settled the aforementioned additional administrative fees, totalling HK\$9,500,000.00, in accordance with the Second Supplemental Deed of Amendment.

The aforementioned additional administrative fees constitute part of the Internal Rate of Return Yield payable by the Company to the Purchaser upon redemption of the Convertible Bonds by the Company on the Extended Maturity Date. The total payable Internal Rate of Return Yield is HK\$10,660,000.00 and the remaining payable Internal Rate of Return Yield in the amount of HK\$1,160,000.00 shall be settled by the Company on the Extended Maturity Date.

The Internal Rate of Return Yield is calculated with reference to the Internal Rate of Return. It is a discount rate calculated from cash flows in respect of such amount of Convertible Bonds, which includes the subscription consideration for the Convertible Bonds, cash received by the Purchaser as a result of any redemption of the Convertible Bonds by the Company, accrued interests and administrative fees that the Company has settled, but excludes any payable default interests, such that the net present value of such aggregate cash flows equals to zero for the period from the Issue Date until the Extended Maturity Date on the basis of 365 days per year.

#### **AMOUNT PAYABLE BY THE COMPANY FROM ENTERING INTO THE SECOND SUPPLEMENTAL DEED OF AMENDMENT TO THE EXTENDED MATURITY DATE**

From entering into the Second Supplemental Deed of Amendment on 23 September 2021 to the Extended Maturity Date, the Company shall settle:

1. the remaining of the additional administrative fee in the amount of HK\$4,000,000.00 and no later than 1 November 2021;
2. the remaining amount of the Internal Rate of Return Yield in the amount of HK\$1,160,000.00; and
3. the outstanding principal amount of HK\$64,000,000.00.

The amount payable by the Company to the Purchaser since entering into the Second Supplemental Deed of Amendment to the Extended Maturity Date is HK\$69,160,000.00. The terms of the Second Supplemental Deed of Amendment were arrived after arm's length negotiation between the Company and the Purchaser and are fair and reasonable.

#### **COMPLETION**

The Board is pleased to announce that all conditions precedent under the Second Supplemental Deed of Amendment were fulfilled and completion took place on 24 November 2021 after trading hours.

Assuming there is no change in the existing shareholding of the Company and no adjustment to the Conversion Price, a total of 58,715,576 Conversion Shares will be allotted and issued to the Purchaser upon the exercise of the Conversion Rights in full, representing approximately 10.81% of the issued capital of the Company as at the date of this announcement and approximately 9.76% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares.

## **REASONS FOR THE SECOND SUPPLEMENTAL AMENDMENTS**

Upon maturity of the Convertible Bonds on 31 January 2022, the Company intends to redeem part of the outstanding Convertible Bonds held by the Purchaser and settle the relevant outstanding principal sum, interest and fees payable by the Company to the Purchaser. The Company intends to enter into negotiation with the Purchaser in due course to revise the terms and conditions of the remaining outstanding Convertible Bond (including but not limited to further extend the maturity date).

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

Hong Kong, 24 November 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.*