



China Success Finance Announces 2018 Annual Results

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Steadily Develops Traditional Businesses Actively Develops Financial Technology Services

Financial Summary	For the year ended 31 December	
	2018	2017
Total Revenue (RMB Million)	61.0	92.8
Profit Before Taxation (RMB Million)	23.2	32.3
Profits for the Year (RMB Million)	5.3	15.7
Basic Earnings per Share (RMB)	0.01	0.03

(31 March 2019, Hong Kong) **China Success Financial Group Holdings Limited** (“China Success Finance” or the “Company”, together with its subsidiaries the “Group”, stock code: 3623.HK) is pleased to announce its audited annual results for the year ended 31 December 2018.

During the year under review, the financial performance of the Group generally improved and recorded a turnaround to profit as compared with the first half of the year. The Group invested resources in transforming its businesses and moderately investing in resources, net income from financial guarantee business achieved a 365.5% increase as compared with 2017. However, interest expenses rose due to the increased issuance of convertible bonds during the period. As the Group strived to transform its business, income from both interest penalty and financial consultancy service declined as compared with last year, whilst part of the income from financial technology business and commercial guarantee business remained to be recognised as deferred income and could not be fully reflected in the profits of the Group in 2018. Therefore, the Group’s total revenue and profit decreased to approximately RMB61.0 million and RMB5.3 million



respectively. Meanwhile, the Group's cash and various bank deposits increased by approximately 105.7% from 30 June 2018 to 31 December 2018. It indicates the significant improvement of the Group's financial condition, lending a great support to the Group's continued endeavor to explore new customers and extend its business scope. The Board of Directors did not recommend payment of final dividend for the year ended 31 December 2018.

Mr. Zhang Tiewei, the Chairman and Executive Director of China Success Finance said, "During the year under review, the Group actively seized market opportunities by steadily developing traditional businesses on one hand, and drawing the layout for business transformation to gradually propel the development of innovative business on the other."

Regarding guarantee business, the Group recorded a significant increase in net guarantee fee income to approximately RMB 30.8 million during the year (2017: approximately RMB 9.8 million). The Group continued to provide credit enhancement services to micro, small and medium sized enterprises, in order to respond to the government's policy in supporting micro, small and medium sized enterprises, whilst actively reallocating resources and adjusting to the development trend of the industry, with a view to expanding business operation with innovative mindset, thereby realising a remarkable breakthrough. Capitalising on the technical team's advanced technology, Success Guarantee accelerated innovation and enhancement of product structure, and collaborated with reputable and sizable high-quality platforms on expanding its business scope to grow across the entire country utilising internet technology. During the year under review, as the number of new business partners and customers increased substantially, the Group realised satisfactory income which laid solid foundation for sustainable business development in the future; thereby further enhancing the Group's core competitiveness and expanding market share.

For financial leasing and factoring business, the Group continued to provide professional and customised financial leasing and factoring services to customers. The Group managed to consolidate income from this business segment through enriching the product chain of financial leasing and raising the level of customer satisfaction. During the year, revenue from financial leasing and factoring business were RMB 24.4 million (2017: RMB 22.4 million).

Regarding the financial consultancy and housing financing businesses, in response to the macro trend, the Group reduced its financial consultancy business and gradually retreated from its housing financing business, while promptly diverting its development and concentrating on further



development of new businesses.

Looking forward, capitalising on the immense opportunities of the inclusive financial services industry and the Group's advantage of providing long standing financial services, the Group strives to become an integrated financial service provider for micro, small and medium sized enterprises. The Group will also continue to steadily develop traditional businesses while maintaining the quality of traditional guarantee business, with micro, small and medium sized enterprises as target clients. The Group will also strive to follow the latest market trend to devise new products, and further develop financial technology business. For financial leasing and factoring business, the Group will continue to use its advantages in resource allocation to provide diversified financial services to clients. Furthermore, the Group will also actively develop asset management business, by paying close attention to market demand. Capitalising on the advantages of its listing status, the Group will integrate its resources in Hong Kong and Mainland China and furnish diversified asset portfolio management services to clients.

Mr. Zhang Tiewei added: "The Group will answer to the national policy on financial inclusion, and provide integrated financing services to micro, small and medium sized enterprises. Meanwhile the Group will gradually propel the strategic transition in the prevailing trend, continue to develop traditional businesses by new means of innovative financial technology. Going forward, the Group will adhere to its long-term development strategy to explore investment opportunities by share purchase or acquisition, in order to strengthen its competence and realise rapid growth, maximising returns to investors and shareholders.

—The End—

About China Success Finance Group Holdings Limited

China Success Finance Group Holdings Limited is a leading private financial group in China, and the first financial group with guarantee service as a major business in China to be listed on the Main Board of The Stock Exchange of Hong Kong Limited. The Group has elevated from its traditional business in guarantee and microcredit since its listing, to a diversified and comprehensive financial service platform with services including asset management, fund management, investment and acquisition, financial leasing, financial guarantee, overseas capital, housing finance, and microcredit. Meanwhile, the Group maintained its business foundation in the Pearl River Delta Region with Foshan as the center, and provide comprehensive and professional



financial services to the development of the Guangdong-Hong Kong-Macao Greater Bay Area.

For more information, please visit the website of China Success Finance Group Holdings Limited:

<http://www.chinasuccessfinance.com/>

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