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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)**

### **CHANGE IN USE OF PROCEEDS AND ESTABLISHMENT OF A FINANCIAL LEASING SERVICE COMPANY**

Reference is made to the prospectus of China Success Finance Group Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 31 October 2013 (the “**Prospectus**”) relating to the listing of the Company’s shares on the Main Board of The Stock Exchange of Hong Kong Limited by way of public offer and international placing (the “**Global Offering**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Prospectus.

The Board hereby announces the change in use of proceeds from the Global Offering (the “**Net Proceeds**”) in the revised manner as set out below:

#### **Intended use of the Net Proceeds**

- approximately 60% of the Net Proceeds will be used to expand our financial capability by increasing our net asset value, registered capital and/or paid-up capital

#### **Revised use of the Net Proceeds**

- no change to the intended use

- approximately 30% of the Net Proceeds from the Global Offering will be used to pursue potential merger and acquisition opportunities within the industry to further expand our business and service offerings
- approximately 10% of the Net Proceeds from the Global Offering will be used for the working capital of our Group
- approximately 30% of the Net Proceeds from the Global Offering, will be used to establish a wholly-owned financial leasing service company to further expand our business and service offerings
- no change to the intended use

The Net Proceeds from the Global Offering amounted to approximately HK\$287.0 million. During the period between the listing date of the Company and 31 December 2013, approximately HK\$0.3 million were utilised as the working capital of our Group.

#### **REASONS FOR CHANGE IN USE OF PROCEEDS AND ESTABLISHMENT OF A FINANCIAL LEASING SERVICE COMPANY**

As disclosed in the sections headed “Business — Business objectives and strategies — Possible merger and acquisition opportunities” and “Future plans and use of proceeds from the global offering — Use of Proceeds” of the Prospectus, the Group originally intended to use 30% of the Net Proceeds to pursue merger and acquisition opportunities within the industry. These opportunities include investments in, merging with, or acquiring financing services providers, small loan service providers, and financial leasing service providers, etc., that provide financial services to SMEs, to complement our existing business model and to enrich our portfolio of financial services for SMEs.

The Company historically cooperates with licensed financial leasing companies to provide guarantee service to customers under financial leasing arrangements. In provision of this guarantee service, the Company conducts credit survey, investigation on customer’s ability to repay, and conduct operation follow-up on customers. And, the Company’s operation effectively complies with the requirements for operating a financial leasing business. Fundamentally, both guarantee and financial leasing services are financial services with a similar risk exposure and target customers (i.e. SMEs). In consideration of the risk exposure, operation capabilities, and the growing financial leasing needs of a substantial number of the Company’s existing customers, the Board has decided to explore the new opportunity of a financial leasing business by obtaining a financial leasing license for the

Company. As mentioned in the 2013 annual report of the Company, with the latest development in February 2014 following the official approval of the Overall Development Plan on Hong Kong/Shenzhen Cooperation on Modern Service Industries in Qianhai Area (《前海深港現代服務合作區總體發展規劃》) by the State Council, the Qianhai Shenzhen-Hong Kong Modern Service Cooperation Zone has been developing rapidly and the financial policies of the new area have been gradually implemented. The Board believes that our Company is well positioned to further expand our business coverage by fully leveraging the new policies in Qianhai.

Since the Company is unable to identify suitable merger and acquisition opportunities in Qianhai in accordance with the criteria set out in the Prospectus, in order to capture this new business opportunity in Qianhai and for the purposes of optimally utilising the Net Proceeds, the Board intends to establish a wholly-owned financial leasing service company in Qianhai with a registered capital of US\$11,000,000 (the “**Registered Capital**”), which has to be fully paid up within 2 years after establishment. The Registered Capital will be fully funded by 30% of the Net Proceeds.

The Board is of the view that there are no material changes in the nature of business objectives as set out in the Prospectus and that the change in the use of the Net Proceeds is in the interest of the Company and its shareholders as a whole, allowing the Group to further expand the business coverage and fully leverage the new policies in Qianhai for the future development of the Group.

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

Hong Kong, 15 May 2014

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