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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

FINANCIAL HIGHLIGHTS

	FOR THE YEAR ENDED 31 DECEMBER 2013 (RMB'000)	FOR THE YEAR ENDED 31 DECEMBER 2012 (RMB'000)	CHANGE IN
REVENUE	**53,328**	57,138	-6.7%
OTHER REVENUE	**13,262**	16,172	-18.0%
PROFIT BEFORE TAXATION EXCLUDING LISTING EXPENSES	**57,591**	65,000	-11.4%
PROFIT BEFORE TAXATION	**32,620**	61,717	-47.1%
PROFIT FOR THE YEAR	**19,041**	47,655	-60.0%
EARNINGS PER SHARE *(RMB PER SHARE)*	**0.06**	0.16	-62.5%
	AS AT 31 DECEMBER 2013 (RMB'000)	AS AT 31 DECEMBER 2012 (RMB'000)	CHANGE IN
TOTAL ASSETS	**705,941**	468,850	50.6%
TOTAL EQUITY	**656,902**	405,608	62.0%

ANNUAL RESULTS

The board (the "**Board**") of directors (the "**Directors**") of China Success Finance Group Holdings Limited (the "**Company**") is pleased to announce the consolidated financial statements of the Company and its subsidiaries (collectively, the "**Group**") for the year ended 31 December 2013, together with the comparative figures for the preceding financial year, as follows:

Consolidated statement of profit or loss for the year ended 31 December 2013
(Expressed in Renminbi)

	Note	**2013** *RMB'000*	**2012** *RMB'000*
Revenue	5		
Revenue		54,080	57,208
Less: re-guarantee fee		(752)	(70)
		53,328	57,138
Other revenue	6	13,262	16,172
		66,590	73,310
Impairment and provision (charged) / written back	7(a)	(244)	3,147
Operating expenses		(40,838)	(16,906)
		(41,082)	(13,759)
Profit from operations		25,508	59,551
Share of profits of an associate		7,112	132
Share of losses of a joint venture		—	(345)
Net gain from disposal of a joint venture		—	2,379
Profit before taxation	7	32,620	61,717
Income tax	8	(13,579)	(14,062)
Profit for the year		19,041	47,655
Attributable to:			
Equity shareholders of the Company		18,808	47,655
Non-controlling interests		233	—
Profit for the year		19,041	47,655
Earnings per share (RMB per share)			
Basic and diluted	10	0.06	0.16

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2013
(Expressed in Renminbi)

	2013	2012
	RMB'000	*RMB'000*
Profit for the year	19,041	47,655
Other comprehensive income for the year that may be reclassified subsequently to profit or loss		
Exchange differences on translation of financial statements of entities outside the People's Republic of China ("PRC"), net of nil tax	(1,630)	2
Total comprehensive income for the year	17,411	47,657
Attributable to:		
Equity shareholders of the Company	17,178	47,657
Non-controlling interests	233	—
Total comprehensive income for the year	17,411	47,657

Consolidated statement of financial position
(Expressed in Renminbi)

	Note	31 December 2013 *RMB'000*	31 December 2012 *RMB'000*
Non-current assets			
Equipment		1,140	916
Interest in an associate		50,618	37,959
Other non-current assets		7,309	55,261
Pledged bank deposits	11	106,292	82,731
		165,359	176,867
Current assets			
Pledged bank deposits	11	66,626	103,337
Trade and other receivables	12	15,322	25,491
Cash and bank deposits	13	458,634	163,155
		540,582	291,983
Current liabilities			
Receipts in advance		858	1,838
Accruals and other payables	14	7,938	4,477
Customer pledged deposits received		—	2,600
Current tax liabilities		1,991	3,777
Liabilities from guarantees	15	25,721	30,678
		36,508	43,370
Net current assets		504,074	248,613
Total assets less current liabilities		669,433	425,480
Non-current liabilities			
Customer pledged deposits received		1,550	9,980
Liabilities from guarantees	15	3,780	7,679
Deferred tax liabilities		7,201	2,213
		12,531	19,872
NET ASSETS		656,902	405,608
CAPITAL AND RESERVES			
Share capital	16	3,276	—
Reserves		649,419	401,634
Total equity attributable to equity shareholders of the Company		652,695	401,634
Non-controlling interests		4,207	3,974
TOTAL EQUITY		656,902	405,608

Notes to the financial statements

(Expressed in Renminbi unless otherwise indicated)

1 General information and basis of presentation

The Company was incorporated in the Cayman Islands on 12 January 2012 as an exempted company with limited liability. The Company and its subsidiaries (together referred to as "the Group") principally engaged in the provision of guarantees and consultancy services in the PRC. The Group's guarantees and consultancy businesses were conducted through Guangdong Success Finance Guarantee Co., Ltd. ("Success Guarantee") which was owned by five individual owners, namely Mr. Zhang Tiewei, Mr. He Darong, Mr. Xu Kaiying, Mr. Pang Haoquan and Mr. Chen Guoxian (together referred to as the "Owners") prior to the reorganisation.

Pursuant to a group reorganisation completed on 17 September 2012 (the "Reorganisation") to rationalise the Group's structure in preparation for the IPO of the Company's shares on the Main Board of the Stock Exchange of Hong Kong Limited as defined in the Company's prospectus dated 31 October 2013 (the "Prospectus"), the Company became the ultimate holding company of Double Chance Developments Limited ("Double Chance"), China Success Finance Holdings Limited ("Success Finance"), Foshan Success Asset Management Co., Ltd. ("Success Asset") and Success Guarantee. Details of the Reorganisation are set out in the Prospectus. The Company's shares were listed on the Stock Exchange on 13 November 2013.

As the Company, Double Chance, Success Finance and Success Asset were either newly incorporated or dormant companies that had no substantive operations prior to the Reorganisation and the Reorganisation was undertaken for the sole purpose of effecting the Group's restructuring and the listing of the Group's guarantees and consultancy business, which was conducted solely through Success Guarantee before and after the Reorganisation, no business combination has occurred. Success Guarantee was owned by the Owners in the same proportionate share of ownerships before and after the Reorganisation and there were no changes in the economic substance of the ownership and the business of Success Guarantee. The Reorganisation only involved inserting the companies with no substantive operations as new holding companies of Success Guarantee. Accordingly, the Reorganisation has been accounted for using a principle similar to that for a reverse acquisition as set out in Hong Kong Financial Reporting Standard 3, Business combinations, with Success Guarantee treated as the acquirer for accounting purposes. The financial statements have been prepared and presented as a continuation of the financial statements of Success Guarantee with the assets and liabilities of Success Guarantee recognised and measured at their historical carrying amounts prior to the Reorganisation. All material intra-group transactions and balances have been eliminated on consolidation.

2 **Statement of compliance**

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (HKFRSs), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (HKASs) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption. For the purpose of these financial statements, the Group has adopted at the beginning of the earliest year presented, all the HKFRSs that have been issued and effective for the entire year, except for any new standards or interpretations that are not yet effective for the accounting year ended 31 December 2013.

3 **New and revised HKFRSs that are first effective for the current accounting period**

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Of these, the following new and revised HKFRSs are relevant to and have been adopted in the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements — Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 11, *Joint arrangements*
- HKFRS 12, *Disclosure of interest in other entities*
- HKFRS 13, *Fair value measurement*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of these new or amended HKFRSs are discussed below:

Amendments to HKAS 1, Presentation of financial statements — Presentation of items of other comprehensive income

The amendments require entities to present separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that would never be reclassified to profit or loss. The presentation of other comprehensive income in the consolidated statement of profit or loss and other comprehensive income in these financial statements has been modified accordingly. In addition, the Group has chosen to use the new titles "statement of profit or loss" and "statement of profit or loss and other comprehensive income" as introduced by the amendments in these financial statements.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, *Consolidated and separate financial statements* relating to the preparation of consolidated financial statements and HK-SIC 12 *Consolidation — Special purpose entities*. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

The Group has adpoted its accounting policy with respect to determining whether it has control over an investee.

HKFRS 11, Joint arrangements

HKFRS 11, which replaces HKAS 31, *Interests in joint ventures*, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

As a result of the adoption of HKFRS 11, the Group has evaluated its involvement in its joint arrangement. The Group has classified the interest in joint arrangement as joint venture. The interest was accounted for using the equity method.

HKFRS 12, Disclosure of interests in other entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards.

HKFRS 13, Fair value measurement

HKFRS 13 replaces existing guidance in individual HKFRSs with a single source of fair value measurement guidance. HKFRS 13 also contains extensive disclosure requirements about fair value measurements for both financial instruments and non-financial instruments. The adoption of HKFRS 13 does not have any material impact on the fair value measurements of the Group's assets and liabilities.

4 **Segment reporting**

The directors have determined that the Group has only one single business component/reportable segment as the Group is principally engaged in providing financial guarantees and financial consultancy service which is the basis to allocate resources and assess performance of the Group.

The Company is an investment holding company and the principal place of the Group's operation is in the PRC. For the purpose of segment information disclosures under HKFRS 8, the Group regarded the PRC as its country of domicile. All the Group's revenue and non-current assets are principally attributable to the PRC, being the single geographical region.

5 **Revenue**

The principal activities of the Group are the provision of guarantees and financial consultancy services. The amount of each significant category of revenue recognised during the year is as follows:

		2013	**2012**
	Note	*RMB'000*	*RMB'000*
Income from financial guarantees		41,696	45,207
Income from litigation guarantees		768	405
Income from performance guarantees		679	602
Income from financial consultancy services		10,937	10,994
		54,080	57,208
Less: re-guarantee fees	(a)	(752)	(70)
Total		53,328	57,138

The Group's customer base is diversified and no single client with whom transactions have exceeded 10% of the Group's revenue. In 2013, the percentage of the Group's largest single customer's revenue was 2.81% (2012: 4.36%); while the percentage of the Group's top 5 customers' revenue was 9.96% (2012: 14.17%).

(a) On 29 November 2013, Success Guarantee entered into a cooperation agreement with an independent Sino-foreign financial guarantee company ("the Re-Guarantor") to proportionally share the guarantee obligation incurred for financial guarantees issued that meet certain criteria. According to the terms of the agreement, the Re-Guarantor will share 20% guarantee obligation for guarantee issued with an amount not more than RMB10,000,000 and 10% for an amount more than and equal to RMB10,000,000 but less than RMB20,000,000.

The re-guarantee fee for shared obligation is: (i) 2% of the shared guarantee amounts; and (ii) adjusted with reference to the number of months the Re-Guarantor undertaking (only for the then issued guarantees that were shared by the Re-Guarantor on the effective date of the agreement).

Besides, there is a refund of handling fees from the Re-Guarantor when the total amount of compensation paid by the Re-Guarantor over the total amount of the fees received by the Re-Guarantor is less than 70% upon expiry of the agreement. In the event that there is no default incurred, the Group is entitled to a maximum refund of re-guarantee handling fees with an amount of 70% of the paid re-guarantee fees.

6 **Other revenue**

	Note	**2013**	**2012**
		RMB'000	*RMB'000*
Government grants	(a)	7,439	10,615
Interest income from bank deposits		4,784	2,501
Investment income	(b)	—	2,888
Others		1,039	168
Total		13,262	16,172

(a) Success Guarantee received funding supporting mainly from Ministry of Industry and Information Technology of the PRC, Ministry of Finance and Foshan Municipal Bureau of Economy and Trade, and the People's Government of Chancheng District of Foshan City. The entitlements of the government grants were under the discretion of the relevant government bureaus. The purpose of the government grants was to grant financial assistance to small and medium enterprises. During the year ended 31 December 2013, RMB1,500,000 (2012: Nil) of the government grants was rewarded to the Group for its listing on the Main Board of The Stock Exchange of Hong Kong Limited. The remaining government grants were determined with reference to the average outstanding financial guarantee amount provided by the Group.

(b) Success Guarantee entered into an entrusted investment agreement with Guangdong Finance Trust Company Limited ("Yuecai Trust"), an unrelated party, on 12 July 2012. According to the agreement, Yuecai Trust was entrusted to invest in debt securities of RMB60,000,000; and the principal and return of the entrusted investment were not guaranteed. The principal of entrusted investment was fully redeemed in December 2012. During the entrusted period, Success Guarantee had received investment income totaling RMB2,888,000.

7 Profit before taxation

Profit before taxation is arrived at after charging / (crediting):

(a) ***Impairment and provision — charged / (written back)***

	2013	2012
	RMB'000	*RMB'000*
Provision charged/(written back) for guarantees issued	244	(1,378)
Impairment provision charged/(written back) for		
- trade receivables	—	(1,916)
- other receivables	—	147
Total	244	(3,147)

(b) ***Staff costs***

	2013	2012
	RMB'000	*RMB'000*
Salaries, wages and other benefits	4,488	3,756
Contributions to defined contribution retirement plan	239	212
Equity-settled share-based payment expenses	1,662	—
	6,389	3,968

Pursuant to the relevant labour rules and regulations in the PRC, the PRC subsidiaries participate in defined contribution retirement benefit schemes (the "Schemes") organised by the local authority whereby the PRC subsidiaries are required to make contributions to the Schemes based on certain percentages of the eligible employees' salaries. The local government authority is responsible for the entire pension obligations payable to the retired employees.

The Group has no other material obligations for payments of retirement and other post-retirement benefits of employees other than the contributions described above.

(c) ***Other items***

	Note	**2013**	**2012**
		RMB'000	*RMB'000*
Depreciation		311	513
Operating lease charges in respect of leasing of properties		833	635
Auditors' remuneration		1,297	167
Net loss on disposal of equipment		—	9
Initial public offering ("IPO") costs	(i)	24,971	3,283
Net foreign exchange (gain)/loss		(817)	681

(i) The transaction costs were charged by the professional parties in connection with the listing of the ordinary shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited on 13 November 2013. These costs were charged to profit or loss except to the extent that costs directly attributable to the issuance of new shares for public offering were recognised in equity upon listing (Note 12 and 16(c)).

8 Income tax in the consolidated statement of profit or loss

(a) ***Taxation in the consolidated statement of profit or loss represents:***

	2013	**2012**
	RMB'000	*RMB'000*
Current tax		
Provision for PRC income tax for the year	8,591	12,219
Deferred tax		
Origination and reversal of temporary differences	4,988	1,843
Total	13,579	14,062

(b) ***Reconciliation between tax expense and accounting profit at applicable tax rates:***

	2013	**2012**
	RMB'000	*RMB'000*
Profit before taxation	32,620	61,717
Notional tax on profit before taxation, calculated at the rates applicable in the jurisdictions concerned	9,305	15,591
Reversal of deferred tax liabilities	—	(1,785)
Effect of non-taxable income	(1,421)	(33)
Effect of non-deductible expenses	5,695	289
Actual tax expense	13,579	14,062

(i) Pursuant to the rules and regulations of Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

(ii) No provision for Hong Kong Profits Tax has been made for the subsidiary located in Hong Kong as the subsidiary has not derived any income subject to Hong Kong Profits Tax during the year.

(iii) According to the PRC Corporate Income Tax ("CIT") Law that took effect on 1 January 2008, the Group's PRC subsidiaries are subject to PRC income tax at the statutory tax rate of 25%.

(iv) Pursuant to the CIT Law and its related regulations, non-PRC-resident enterprises are levied withholding tax at 10% (unless reduced by tax treaties/arrangements) on dividends receivable from PRC enterprises for profits earned since 1 January 2008. Distributions of earnings generated prior to 1 January 2008 are exempt from such withholding tax. As a part of the continuing evaluation of the Group's dividend policy, management considered that for the purpose of business development, the undistributed earnings from 1 January 2008 of the PRC subsidiaries amounted to RMB59,926,000 as at 31 December 2013 will not be distributed in the foreseeable future. As such, no deferred tax liabilities were recognised in respect of the PRC withholding tax.

9 Dividends

No dividends were proposed or paid to the equity shareholders of the Company for the year ended 31 December 2013 (2012: Nil).

10 Earnings per share

(a) ***Basic earnings per share***

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB18,808,000 (2012: RMB47,655,000) and the weighted average number of ordinary shares in issue during the year ended 31 December 2013 of 314,464,000 (2012: 300,000,000). The weighted average number of shares in issue during the year ended 31 December 2012 was based on the assumption that 10,000 ordinary shares were in issue throughout the period from the date of issuance of these ordinary shares to the end of the year, as if the Reorganisation had been completed at the date of the Company incorporated, calculated as follows:

(i) Weighted average number of ordinary shares

	Note	**2013**	**2012**
		'000	*'000*
Issued ordinary shares at 1 January		10	—
Effect of shares issued		—	10
Effect of capitalisation issue	16(d)	299,990	299,990
Effect of shares issued by share Offering	16(c)	13,425	—
Effect of shares issued by over-allotment	16(c)	1,039	—
Weighted average number of ordinary shares at 31 December		314,464	300,000

(b) ***Diluted earnings per share***

The calculation of diluted earnings per share for the year ended 31 December 2013 does not assume the exercise of the Company's share options as the effect is anti-dilutive. During the year ended 31 December 2012, there were no dilutive potential ordinary shares issued.

11 **Pledged bank deposits**

	The Group	
	31 December 2013	**31 December 2012**
	RMB'000	*RMB'000*
Non-current	106,292	82,731
Current	66,626	103,337
	172,918	186,068

Pledged bank deposits represent the deposits pledged to banks for the financial guarantees that the Group provides to the customers for their borrowing from banks.

12 **Trade and other receivables**

	Note	The Group	
		2013	**2012**
		RMB'000	*RMB'000*
Trade debtors	(i)	31	1,484
Payments on behalf of customers	(ii)/(iii)	14,251	25,044
		14,282	26,528
Less:allowance for doubtful debts		(7,330)	(7,330)
Trade receivables		6,952	19,198
Amounts due from related parties		4,144	50
Other receivables (Net of impairment provision)	(iii)	2,097	2,528
Receivables		13,193	21,776
Prepaid IPO costs	7(c)(i)	—	2,550
Prepayments for re-guarantee fees		1,228	—
Other prepayments		535	—
Deferred expenses		366	1,165
Total	(iv)	15,322	25,491

(i) The amounts represented service fee income receivables from customers.

(ii) Payments on behalf of customers represented payment made by the Group to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurred because the customers fail to make payment when due in accordance with the terms of the corresponding debt instruments. Payments on behalf of customers were interest bearing and the Group holds certain collaterals over certain customers.

(iii) On 21 December 2012, payments on behalf of customers amounted to RMB10,911,000 (net of impairment provision of RMB5,447,000) and other receivable amounted to RMB2,653,000 (net of impairment provision of RMB295,000) were factored without recourse to China Cinda Assets Management Co., Ltd ("Cinda") at RMB13,905,000 and RMB2,505,000, respectively. Net gain on factoring of RMB2,846,000 was recognised as written back of impairment provision for the year ended 31 December 2012 as set out in Note 7(a). Receivables from Cinda amounted to RMB13,905,000 and RMB2,505,000 were recorded as "Payments on behalf of customers" and "Other receivables" respectively as at 31 December 2012. The aggregate amount of RMB16,410,000 was fully settled in January 2013.

(iv) All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

(a) ***Ageing analysis***

As of the end of the reporting period, the ageing analysis of trade receivables (net of allowance for doubtful debts), based on the guarantee income recognition date or advance payment date, is as follows:

	The Group	
	31 December 2013	**31 December 2012**
	RMB'000	*RMB'000*
Within 1 month	31	803
Over 1 month but less than 3 months	—	15,855
Over 3 months but less than 1 year	4,971	2,540
More than 1 year	9,280	7,330
	14,282	26,528
Less: allowance for doubtful debts	(7,330)	(7,330)
Total	6,952	19,198

13 Cash and bank deposits

	The Group	
	2013	**2012**
	RMB'000	*RMB'000*
Demand deposits and term deposits with banks with original maturity less than three months	457,035	150,514
Restricted customer pledged deposits	1,550	12,580
Cash in hand	49	61
Cash and bank deposits in the statement of financial position	458,634	163,155

Pursuant to the Implementing Rules for the Administration of Financial Guarantee Companies promulgated by the People's Government of the Guangdong Province on 27 September 2010 and the Notice on Regulating the Management of Customer Pledged Deposits of Financial Guarantee Institutions announced by the Joint Committee for the Regulation of the Financial Guarantee Industry on 15 April 2012, the Group is required to set up certain arrangements to manage the customers' pledged deposits by 31 March 2011. The arrangements include: (a) enter into tripartite custodian agreement among lending bank, customer and the Group for ensuring the entrustment of lending bank to manage the deposits; (b) deposit the pledged deposit received from the customer into a designated custodian bank account; and (c) such deposit is not available for use by the Group.

In order to comply with the aforesaid rules and regulations, the Group had set up internal guidelines which were adopted by the Group in May 2012. However, the aforesaid rules and regulations are not enforceable to banks and the Group could not enter into tripartite custodian arrangement with certain lending banks. As at 31 December 2013 and 2012, customer pledged deposits of RMB1,550,000 and RMB1,550,000 respectively were deposited into a designated bank account under two tripartite custodian arrangements. For those guarantee services without setting up tripartite custodian arrangements, the Group has maintained the restricted customer pledged deposits received in the Group's bank accounts. As at 31 December, the restricted customer pledged deposits received were maintained as follows:

	The Group	
	2013	**2012**
	RMB'000	*RMB'000*
Designated custodian bank accounts	1,550	1,550
The Group's bank accounts	—	11,030
	1,550	12,580

14 **Accruals and other payables**

Other accruals and payables are expected to be settled within one year and are repayable on demand.

15 **Liabilities from guarantees**

	The Group	
	31 December 2013	**31 December 2012**
	RMB'000	*RMB'000*
Current liabilities		
- Deferred income	18,614	23,815
- Provision of guarantee losses	7,107	6,863
	25,721	30,678
Non-current liabilities		
- Deferred income	3,780	7,679
	29,501	38,357

16 **Share capital**

(a) ***Authorised and issued share capital***

		2013			2012		
	Note	**No. of shares** *'000*	**Share capital** *HK$'000*	**Share capital** *RMB'000*	**No. of shares** *'000*	**Share capital** *HK$'000*	**Share capital** *RMB'000*
Authorised:							
Ordinary shares of HKD0.01 each		800,000	8,000	6,512	800,000	8,000	6,512
Ordinary shares, issued and fully paid:							
At 1 January		10	—	—	—	—	—
Arising from Reorganisation	16(b)	—	—	—	10	—	—
Issuance of shares by share offering	16(c)	114,044	1,140	902	—	—	—
Capitalisation issue	16(d)	299,990	3,000	2,374	—	—	—
At 31 December 2013		414,044	4,140	3,276	10	—	—

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(b) ***Reorganisation***

For the purpose of the financial statements, the share capital at 1 January 2012 represented the share capital of Success Guarantee. On 12 and 16 January 2012, the Company issued and allotted 1 and 9,999 shares with par value of HKD0.01 each, respectively. Pursuant to the Reorganisation, the Company become the holding company of the Group. The share capital of the Company at 31 December 2012 represented 10,000 ordinary shares of HKD0.01 each, which were allotted and issued at par.

(c) ***Issuance of shares by share offering***

On 13 November 2013, the Company issued 100,000,000 new ordinary shares of HKD0.01 each at a price of HKD2.68 per share by way of global offering to Hong Kong and overseas investors. On 5 December 2013, additional 14,044,000 ordinary shares of HKD0.01 each were issued at a price of HKD2.68 per share as a result of the exercise of over-allotment option. Net proceeds from the global offering and exercise of over-allotment option totaling HKD287,023,000 (equivalent to RMB227,073,000) after offsetting IPO costs of RMB14,729,000, out of which HKD1,140,000 (equivalent to RMB902,000) and HKD285,883,000 (equivalent to RMB226,171,000) were recorded in share capital and share premium respectively.

(d) ***Capitalisation issue***

Pursuant to the Written Resolutions of all the shareholders passed on 18 October 2013, an amount of HKD2,999,900 standing to the credit of the share premium account was applied in paying up in full 299,990,000 ordinary shares of HKD0.01 each which were allotted and distributed as fully paid to shareholders whose names appeared on the register of members of the Company at the close business on 18 October 2013, in the proportion to their then existing shareholdings in the Company.

17 Contingent liabilities

At 31 December, the total maximum guarantees issued are as follows:

		The Group	
	Note	**2013**	**2012**
		RMB'000	*RMB'000*
Financial guarantees		1,207,908	1,427,875
Litigation guarantees		230,741	57,272
Performance guarantees		118,500	58,500
Gross guarantee amount		1,557,149	1,543,647
Proportional re-guarantee amount	5(a)	(131,855)	(60,150)
Total maximum guarantees issued		1,425,294	1,483,497

The total maximum guarantees issued represent the maximum potential loss that would be recognised if counterparties failed completely to perform as contracted.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

OVERVIEW

In 2013, the tightening macro-economy and financial environment in China have affected the implementation of our business strategies to some extent. However, building on our competitive advantages developed over time, our Group has proactively responded to substantial challenges and uncertainties arising from changes in global economy and state policies and achieved a comprehensive and balanced development.

Our Group has achieved the following remarkable business results upon our successful listing on the Main Board of the Stock Exchange ("**Listing**") on 13 November 2013 ("**Listing Date**"):

(1) On 29 November 2013, our Group entered into a proportional re-guarantee cooperation agreement with a re-guarantee company, which is one of the current largest guarantee institutions in the PRC, pursuant to which the guarantee institution agreed to guarantee the whole or a portion of the guarantee obligations in respect of the guarantee businesses prescribed therein, and our Group agreed to pay this re-guarantee company for the proportional re-guarantee in respect of each guarantee business prescribed therein. Entering into the cooperation agreement helps us to further reduce our risk exposure under the guarantee obligation, and also allows our Group to expand our customer base.

(2) Our Group's entering into a cooperation agreement with a large state-owned leasing company with limited liability and internet platform loan business have expanded our cooperation network to also include institutions other than commercial banks, and thus help us to minimise loan undertaking risks arising from changes in bank policies.

FINANCIAL GUARANTEE BUSINESS

Our financial guarantee business maintained a stable income in 2013. Our Group mainly provides financial guarantees to Small and Medium Enterprises ("**SMEs**") to assist them in obtaining loans from banks or other financial institutions. Our Group has had business relationships with 20 financial institutions, including, among others, a policy bank, state-owned commercial banks, joint-stock commercial banks, local commercial banks, rural banks, a provincial re-guarantee company, a trust company, sino-foreign cross regional financial guarantee institutions, large finance lease companies and internet financial platforms.

The balance of financial guarantee amount as at 31 December 2013 was approximately RMB1,207.9 million (2012: approximately RMB1,427.9 million). Income from financial guarantees for the year ended 31 December 2013 was approximately RMB41.7 million, representing a decrease of approximately 7.7% as compared to approximately RMB45.2 million for the year ended 31 December 2012. Such decrease was mainly attributable to the limited credit scale and slowed pace of lending from banks as a result of the state's strengthening control over macro-economy through increasing legal deposit-reserve ratio. Also, since our Company is only listed in November 2013, the brand value brought by the listing has not been fully reflected in the financial results for the year ended 31 December 2013.

NON-FINANCIAL GUARANTEE BUSINESS

Our non-financial guarantee business mainly involves the provision of litigation guarantee and performance guarantee in relation to, inter alia, the performance of payment obligations under the agreements entered into between our customers and their counter-parties. The balance of non-financial guarantee amount as at 31 December 2013 was approximately RMB349.2 million (2012: approximately RMB115.8 million). Income from non-financial guarantees for the year ended 31 December 2013 was approximately RMB1.4 million, representing an increase of approximately 40.0% as compared to approximately RMB1.0 million for the year ended 31 December 2012.

(1) Litigation guarantee business

The purpose of litigation guarantees is to provide guarantee to the court that we will compensate the litigating counter-party for the loss incurred as a result of the freezing of the counter-party's property by the court due to our customers' inappropriate application for property preservation against the counter-party.

Income from litigation guarantees for the year ended 31 December 2013 was approximately RMB0.8 million (2012: approximately RMB0.4 million).

(2) Performance guarantee business

During the past three years, our Group has provided performance guarantees in relation to (i) the payment obligations of customers under contracts for the sale of goods between our customers and these suppliers; and (ii) the obligations of customers under contracts for acquisitions of land (including their obligation to pay the acquisition price by installments and to build an office in accordance with the specifications stipulated in the contracts).

Income from performance guarantees for the year ended 31 December 2013 was approximately RMB0.7 million (2012: approximately RMB0.6 million).

FINANCIAL CONSULTANCY SERVICES

Our Group also provides tailor-made financial consultancy services to our customers by entering into consultancy services agreements with them.

Income from financial consultancy services for the year ended 31 December 2013 was approximately RMB10.9 million (2012: approximately RMB11.0 million).

During the past three years, most of the customers of our Group for financial consultancy services were SMEs. As SMEs in the PRC may, due to their size of operation, lack of experienced staff in handling loan applications, and they may not be familiar with compliance matters regarding relevant rules and regulations or lending institutions' requirements, with our established cooperation with lending banks and institutions and experience in the financial services field and hence our ability to understand the requirements of lending institutions, trends in the market as well as financial products offerings in the market, we would be able to provide all-rounded financial consultancy services to our customers that suit their needs. We believe that financial consultancy services would also be a good opportunity for us to expand and diversify our business.

CAPITAL INCREASE

The registered capital of Success Guarantee was increased from RMB250 million to RMB330 million on 26 January 2014. Our Board believes that the increase in registered capital will allow Success Guarantee to undertake a larger scale of guarantee business.

The registered capital of Success Credit was increased from RMB200 million to RMB250 million on 23 December 2013. As the increase in registered capital of Success Credit was not subscribed by its equity owners on a pro-rata basis, Success Guarantee increased its equity interests in Success Credit from 18.18% to 19.09%.

Our principal target is to expand our business into various representative pillar industries in the township of Foshan City, such as ceramics, textile, aluminium profile, small household appliances and furniture. The industry distribution is relatively diversified and thus can reduce risks associated with a chain reaction due to the collapse of a particular industry.

Under the current economic conditions, there have been frequent changes in the policies of some commercial banks. They have tightened their scale of loans as there are increasing signs showing that they may only collect funds without lending out any loans. In addition, they have gradually tightened policies for cooperative guarantee institutions or required them to re-obtain relevant admissions. In face of the challenges mentioned above, we have strengthened our cooperation with financial institutions such as other guarantee institutions, large finance lease companies and innovative internet loan platforms during the year to further expand our customer base, offer innovative services and products to satisfy customers' needs and deal with challenges brought by changes in government policies.

INDUSTRY REVIEW

Overview of the economy of the PRC, Guangdong Province and Foshan City

According to the National Bureau of Statistics of China, the nominal compound annual growth rate ("CAGR") of GDP between 2008 and 2012 was 13.4%, making China one of the fastest growing major economies in the world.

According to the State Administration for Industry & Commerce of the People's Republic of China, as at 31 December 2011, there were over 50 million of SMEs in the PRC. Historically, the State policy tended to be more favourable to large enterprises and lacked support to SMEs, which was one of the reasons why it was difficult for SMEs to obtain financing. Large enterprises could obtain funds from the capital market and monetary markets without much difficulty while there existed significantly higher financial barriers to SMEs and they needed to pay higher costs to secure loans.

Based on statistics available, since 2012, SMEs have been contributed over 60% and 50% of GDP and tax revenue to the PRC and have become an essential driving force behind the economic development of China. In response to this, in August 2013, the State Council promulgated the Implementation of Opinion on Supporting the Healthy Development of Small and Micro Enterprises(國務院關於支持小微企業健康發展的實施意見) [Guo Ban Fa [2013] No. 87], which clearly states the importance of enriching and innovating the mode of financial services for SMEs, encouraging the constant development of specialty products in accordance with the characteristics of SMEs of different types and in different stages of development, thus providing SMEs with tailored financial products and services. Meanwhile, it also states that the State will actively develop small financial institutions, open up the channels for private capital to have access to the financial sector, and establish SMEs financial services institutions of wide coverage, differentiation and efficiency.

The GDP per capita of Foshan City grew at a CAGR of approximately 9.4% from 2007 to 2012. Since 2000, Foshan City has ranked the 3rd in terms of GDP amongst all cities in the Pearl River Delta region, after Guangzhou and Shenzhen. The GDP per capita of Guangdong Province and Foshan City are expected to grow at a CAGR of approximately 10.0% and 10.7% respectively from 2013 to 2016. The manufacturing sector is expected to be driving force of GDP growth, particularly in Foshan City, which is well known for its manufacturing of household electrical appliances, furniture, information technology, ceramics, metals and pharmaceuticals industries.

Currently, there are 139 guarantee institutions registered with the industrial and commercial office in Foshan City, of which 49 financial guarantee institutions have been standardised and subject to rectifications, and one guarantee institution is listed. The number of guarantee institutions decreased as compared with that of last year, but their overall strength increased. As at the end of December 2013, the cumulative total guarantee loans of different kinds reached RMB80.6 billion, assisting a total of 14,393 SMEs in obtaining banking loans. In 2013, the newly increased total guarantee loans reached RMB12.8 billion, representing an increase of 20% as compared with that of last year, assisting a total of 1,874 SMEs in obtaining banking loans and having created approximately 160,000 new jobs.

The Group has a long history of presence in Foshan and since the 90's, it has been providing the SMEs in its base of Foshan with financial and non-financial guarantee and financial consultancy services. As early as in the 90's, the Group has been aware of the significant development potential and opportunities of the SME financial market in the PRC and has been committed to providing financial guarantee services to SMEs. It aims to provide integrated financial services to enterprises, particularly SMEs, in the PRC to assist them to improve their overall financing ability to obtain funds for development. The target customers of the Group mainly include manufacturers of household electronic appliances, furniture, information technology, ceramics, metals and pharmaceuticals. After over a decade's continuous and stable operation and constant innovation, the Group has financial assets under its management of over RMB5 billion and has provided various kinds of non-banking financial services to almost 10,000 SMEs and trading and commercial units.

FINANCIAL REVIEW

Revenue

For the year ended 31 December 2013, our Group's revenue was approximately RMB53.3 million (2012: approximately RMB57.1 million), representing a decrease of approximately 6.7%. Detailed analysis of revenue is as follows:

1. **Financial guarantee services**

   Revenue from our Group's financial guarantee services was mainly generated from the service fees charged for our financial guarantee service. For the year ended 31 December 2013, our Group's revenue generated from financial guarantee services was approximately RMB41.7 million (2012: approximately RMB45.2 million), representing a decrease of approximately 7.7% and accounting for approximately 78.2% (2012: approximately 79.2%) of our Group's total revenue.

   The number of new financial guarantee contracts entered into for the year ended 31 December 2013 was 187 (2012: 201), representing a decrease of approximately 7.0% over the previous year.

   As the PRC government has strengthened its macroeconomic control by raising the statutory deposit reserve ratio and adopting other means to reduce market liquidity, the credit scale was restricted and bank lending was slowed down. Furthermore, our Group invested significant resources in preparation for listing and was successfully listed on the main board of the Hong Kong Stock Exchange on 13 November 2013. However, the benefits of improved brand recognition had not been fully reflected in 2013, and our Group's revenue from its traditional financial guarantee business slightly decreased.

2. **Non-financial guarantee services**

   Revenue from our Group's non-financial guarantee services was mainly generated from the service fees charged for providing customers with performance guarantees in relation to the performance of payment obligations and litigation guarantees. For the year ended 31 December 2013, our Group's revenue generated from non-financial guarantee services increased 40.0% to approximately RMB1.4 million (2012: approximately RMB1.0 million), accounting for approximately 2.6% (2012: approximately 1.8%) of our Group's total revenue in 2013. The increase was benefit from our Group's strengthening in cooperation with other large guarantee and re-guarantee companies on non-financial guarantee transactions of large amounts which require guarantee companies with strong capacity, in addition to the cooperation with them on traditional financial guarantee business.

3. **Financial consultancy services**

Revenue from our Group's financial consultancy services was mainly generated from the service fees charged for providing customers with financial consultancy services by our Group. For the year ended 31 December 2013, our Group's revenue generated from financial consultancy services was approximately RMB10.9 million (2012: approximately RMB11.0 million), representing approximately 20.5% of our Group's total revenue for 2013 (2012: approximately 19.3%). The financial consultancy services business is relatively new to our Group and the revenue generated has been relatively stable. This business segment is closely related to factors such as financing channels of the financial market and financing costs. We believe its expansion will enhance our influence in the financial market.

Other revenue

Our Group's other revenue was comprised of government grants, investment income, interest income and exchange gains. For the years ended 31 December 2012 and 2013, our Group's other revenue was approximately RMB16.2 million and RMB13.3 million, respectively, representing a decrease of approximately 17.9%. It was attributable to the combined effect of (1) the decrease in government grants by approximately 30.2% from approximately RMB10.6 million in 2012 to approximately RMB7.4 million in 2013; and (2) the fact that our Group was involved in trust investments in 2012 while there was no income from such source in 2013 as it utilised the credit facility permitted for use in external investments under regulations in increasing its strategic investments, being the increase in the shareholding in Success Credit. However, our interest income increased by approximately 92.0% from approximately RMB2.5 million in 2012 to approximately RMB4.8 million in 2013 due to changing constitution of the bank deposits, from transactional demand deposit in 2012 to term deposits with higher interest rate in 2013 and there were the exchange losses of approximately RMB0.7 million in 2012 as compared to the exchange gains of approximately RMB0.8 million in 2013, resulting from the appreciation of RMB against HKD.

Impairment and provision (charged)/written back

Impairment and provision mainly represents impairment and provision for guarantees losses and provision for trade and other receivables where the customers or other parties are likely in financial difficulties and the recoverability is considered to be remote. In the event of any impairment and provision made in the previous years but subsequently recovered, impairment and provision previously made would be written back in the year in which the relevant amount is recovered.

Operating expenses

Operating expenses mainly comprise (i) salaries and benefits expenses for management and administrative staff; (ii) traveling and entertainment expenses; (iii) office expenses; and (iv) other operating expenses (including professional consultancy service fees). For the year ended 31 December 2013, our Group's operating expenses was approximately RMB40.8 million (2012: approximately RMB16.9 million), accounting for approximately 76.5% (2012: approximately 29.6%) of our Group's revenue. The increase in operating expenses was mainly attributed to the increase of staff costs, legal and professional fees and other related expenses due to the business development and the listing of our Company.

Share of profit of an associate

The share of profits of an associate amounted to approximately RMB7.1 million for 2013, representing an increase of approximately RMB7.0 million from approximately RMB0.1 million for 2012. The increase was attributed to combined effects of (1) our Group shared the profit of Success Credit for the full year in 2013, whereas we were only entitled to the share of profit from the date of being the shareholder in 2012 (i.e. 18 December 2012 to 31 December 2012); and (2) Success Guarantee increased its equity interests in Success Credit from 18.18% to 19.09% by the end of 2013.

Income tax

For the year ended 31 December 2013, our Group's income tax amounted to approximately RMB13.6 million, representing a decrease of approximately 3.5% over approximately RMB14.1 million in 2012. Such decrease was mainly related to the reduction of our Group's profit before taxation during the year.

Profit before taxation excluding listing expenses

The financial results of our Group for the year ended 31 December 2013 was affected by the non-recurring expenses in relation to the listing of our Company. The expenses in relation to our listing were approximately RMB44.2 million, of which approximately RMB14.7 million was directly attributable to the issue of offer shares and was expected to be accounted for as a deduction from equity. Of the remaining listing expenses of approximately RMB29.5 million to be charged to our consolidated statement of profit or loss and other comprehensive income, RMB1.2 million and RMB3.3 million were recognised in the years ended 31 December 2011 and 2012, respectively. The remaining approximately RMB25.0 million was charged to our consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2013. Expenses in relation to our listing are non-recurring. Our Directors would like to emphasise that such amount of expenses represents the material and adverse effect of the listing-related expenses on the financial results of our Group for the year ended 31 December 2013.

Moreover, the fair value of the share options granted under the Pre-IPO share option scheme, according to the calculation of an external independent professional valuer, was expected to be approximately RMB12.7 million which would be charged to the consolidated statement of profit or loss and other comprehensive income of our Group over the vesting periods by reference to the fair value at the date on which the share option are granted. The share options under the Pre-IPO Share Option Scheme was granted on 6 November 2013. It was approximately RMB1.7 million charged to the consolidated statement of profit or loss and other comprehensive income of our Group for the year ended 31 December 2013.

Trade and other receivables - Payments on behalf of customers

Payments on behalf of customers mainly represents default loan amount repaid by our Group on behalf of our customers. Upon default by a customer in respect of repayment of a bank loan, according to the relevant guarantee agreement, the outstanding balance shall be firstly settled by our Group on behalf of our customers. Our Group will then subsequently request repayment from our customers or take procession of the counter-guarantee assets provided by such customers to recover the outstanding balance. Payments on behalf of customers were interest bearing and our Group holds certain collaterals over certain customers. The outstanding balance of payments on behalf of customers as at 31 December 2012 and 2013 amounted to approximately RMB25.0 million and RMB14.3 million, respectively.

LIQUIDITY AND CAPITAL RESOURCES

Treasury Management and Investment Policy

In order to more effectively utilise our Group's financial resources for obtaining a better return for the Shareholders, it had been our Group's general approach that our management had sought for some alternative investment opportunities which could provide a better return but at a minimum risk exposure.

Pledged Bank Deposits and Cash and Bank Deposits

As at 31 December 2013, the current pledged bank deposits and cash and bank deposits amounted to approximately RMB66.6 million (2012: approximately RMB103.3 million) and RMB458.6 million (2012: approximately RMB163.2 million), respectively, representing an increase of approximately RMB258.7 million, which was generated from our Group's financing activities in relation to our listing during the year.

Interest Rate Risk and Foreign Exchange Risk

During the year, our Group had no borrowings. Our Group's interest rate primarily related to interest-bearing bank deposits and pledged bank deposits.

Our Group's businesses for the year ended 31 December 2013 were principally conducted in RMB, while most of our Group's monetary assets and liabilities are denominated in HKD and RMB. As the RMB is not a freely convertible currency, any fluctuation in the exchange rate of HKD against RMB may have impact on our Group's result. Although foreign currency exposure does not pose significant risk on our Group and currently, we do not have hedging measures against such exchange risks, we will continue to take proactive measures and monitor closely of our exposure to such currency movement.

KEY FINANCIAL RATIOS

	For the year ended 31 December	
	2013	**2012**
	%	%
Current ratio *(Note 1)*	1,480.7	673.2
Gearing ratio *(Note 2)*	7.5	15.6
Return on assets *(Note 3)*	2.7	10.2
Return on equity *(Note 4)*	3.5	13.2

Notes:

1. Current ratio is calculated based on dividing current assets by current liabilities

2. During the year, the Group had no borrowings. Gearing ratio is calculated based on dividing total liability by total equity

3. Return on assets is calculated based on dividing profit attributable to equity shareholders of our Company by total asset and multiplied by 100%

4. Return on equity is calculated based on dividing profit attributable to equity shareholder of our Company by the weighted average balance of total equity as at the beginning and end of the relevant year and multiplied by 100%

Current ratio

Our Group's current ratio increased from approximately 673.2% for the year ended 31 December 2012 to approximately 1,480.7% for the year ended 31 December 2013, which was mainly attributable to the increase in current assets due to the increase in bank deposits as a result of the proceeds from the listing.

Gearing ratio

Our Group's gearing ratio decreased from approximately 15.6% for the year ended 31 December 2012 to approximately 7.5% for the year ended 31 December 2013, which was mainly attributable to increased equity due to the increase in capital following the listing.

Return on assets

Our Group's return on assets decreased from approximately 10.2% for the year ended 31 December 2012 to approximately 2.7% for the year ended 31 December 2013, which was mainly attributable to the decrease in net profit due to the professional fees incurred in relation to the listing while assets increased due to the increase in bank deposits as a result of the proceeds from the listing.

Return on equity

Our Group's return on equity decreased from approximately 13.2% for the year ended 31 December 2012 to approximately 3.5% for the year ended 31 December 2013, which was mainly attributable to the decrease in net profit due to the professional fees incurred in relation to the listing while increased equity due to the increase in capital following the listing.

HUMAN RESOURCES AND REMUNERATION POLICIES

Our Group recruits personnel from the open market and will enter into employment contracts with them. Our Group offers competitive remuneration packages to employees, including salaries and bonuses to qualified employees. We also provide training to our staff on a regular basis to enhance their knowledge of the financial products in the market and the applicable laws and regulations in relation to the industry in which our Group operates.

As at 31 December 2013, our Group has 52 full-time employees. Compensation of our employees primarily includes salaries, discretionary bonus, contributions to social insurance and retirement benefit scheme. Our Group incurred staff costs (including Directors' remuneration) of approximately RMB6.4 million for the year ended 31 December 2013.

USE OF PROCEEDS

The shares of the Company were listed on 13 November 2013 on the Main Board of the Stock Exchange. The total net proceeds from the Listing which involved the issue of 114,044,000 ordinary shares of HK$0.01 each of the Company amounted to approximately HK$287.0 million.

Approximately HK$0.3 million were utilised as the working capital of our Group, during the period between the Listing Date and 31 December 2013 in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceed (from the Global Offering)" in the prospectus of the Company dated 31 October 2013 ("**Prospectus**").

The balance of the net proceed have been deposited on short term basis in licensed financial institutes in Hong Kong and will be utilised in accordance with the use as set out in the Prospectus.

PROSPECTS

Our Group will continue to (i) strengthen our risk management procedures; (ii) strengthen our internal control and post-guarantee monitoring procedures; (iii) standardise products and services wherever possible; and (iv) upgrade our Group's management information system to improve the effectiveness and the timeliness of our Group's risk control measures.

Following the official approval of the Overall Development Plan on Hong Kong/Shenzhen Cooperation on Modern Service Industries in Qianhai Area (《前海深港現代服務業合作區總體發展規劃》) by the State Council in 2010, 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. Due to our strategic and favourable location in Foshan, which is adjacent to Shenzhen and together with our strong client base in the Pearl River Delta Economic Zone, our Company is well positioned to further expand our business coverage in Qianhai. At present, our Group is actively participating in the studies of the new policies and new development trends and might expand our business coverage and launch new services to complement our existing business and enrich our portfolio of providing financial services to SMEs including, but not limited to, small loan, financing lease or equity investment by fully leveraging the new policies on financial reform in the future.

OTHER INFORMATION

Listing of the shares

The shares of the Company have been listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with effect from 13 November 2013.

Purchase, sale or redemption of securities

Since the Listing Date and up to 31 December 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's securities.

Corporate Governance Code

The Company has applied the principles and code provisions as set out in the corporate governance code (the "**Corporate Governance Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"). Since the Listing Date and up to 31 December 2013, the Company has been in compliance with all the code provisions of the Corporate Governance Code.

Material Acquisition and Disposal

Save as the reorganisation stated in the prospectus of the Company dated 31 October 2013, the Group has no other material acquisition and disposal for the year ended 31 December 2013.

Compliance with the Model Code for Securities Transactions

The Company has adopted the model code for securities transactions by directors of listed issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry with all the Directors, the Directors confirmed that they had been in compliance with the requirements set out in the Model Code from the Listing Date to 31 December 2013.

Dividends

The Directors do not recommend the payment of final dividend for the year ended 31 December 2013.

Review of Annual Results

The Company has established an audit committee (the "**Audit Committee**") on 18 October 2013 with terms of reference in compliance with the Listing Rules and the Corporate Governance Code. The Audit Committee comprises Mr. Tsang Hung Kei, Mr. Au Tien Chee Arthur and Mr. Xu Yan. Mr.Tsang Hung Kei has been appointed as the chairman of the Audit Committee.

The Audit Committee has reviewed the consolidated financial statements of the Company for the year ended 31 December 2013. The Audit Committee is of the view that these financial statements have been prepared in accordance with the applicable accounting standards, the Listing Rules and the statutory provisions, and sufficient disclosures have already been made.

Annual General Meeting

The annual general meeting of the Company (the "**AGM**") for the year ended 31 December 2013 is scheduled to be held on 19 May 2014. A notice of AGM will be issued and disseminated to shareholders of the Company in due course.

Closure of Register of Members

The Company's register of members will be closed from Thursday, 15 May 2014 to Monday, 19 May 2014 (both days inclusive), during which period no transfer of shares of the Company will be effected. In order to be eligible to attend and vote at the AGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on Wednesday, 14 May 2014.

Publication of Annual Results Announcement and Annual Report

This announcement has been published on the Company's website (www.gdjcrzdb.cn) and the designated website of the Stock Exchange (www.hkexnews.hk). The annual report for the year ended 31 December 2013 containing all relevant information required by the Listing Rules will be disseminated to the shareholders and available on the above websites in due course.

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

Hong Kong, 24 March 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.