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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)**

### **PROFIT WARNING**

This announcement is made by the Company pursuant to Inside Information Provisions under Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that, based on the preliminary assessment of the unaudited management accounts of the Group for FY2020 and information currently available to the Board, the Group is expected to record a net loss of no more than RMB90 million for FY2020, representing approximately 80% decrease in loss as compared to the same period last year.

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

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

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited management accounts of the Group for the year ended 31 December 2020 (“**FY2020**”) and information currently available to the Board, the Group’s financial performance generally improved during FY2020 and the Group is expected to record a net loss of no more than RMB90 million for FY2020, representing approximately 80% decrease in loss as compared with the year ended 31 December 2019 (“**FY2019**”).

The Board considers that the decrease in net loss was mainly attributable to the Group's provision for impairment losses of approximately RMB 192 million for FY2020, representing a significant decrease of approximately RMB 279 million as compared to FY2019. The impairment provision is non-cash in nature and therefore has no impact on the Group's operating cash flows.

The financial performance of the Group remained healthy in FY2020 and the net loss was mainly attributable to the net effect of: (i) the provision for impairment losses of the Group of approximately RMB 192 million for FY2020, mainly because the group's customers were affected by the COVID-19 pandemic; (ii) net revenue from financing guarantee services increased by more than 90% as compared with FY2019, which was due to the fact that deferred income arising from the significant growth of financing guarantee services in 2019 was recognized on an accrual basis in FY2020; (iii) the fair value of the Group's financial assets at fair value through profit or loss and biological assets increased significantly; (iv) the Group's sales of biological assets recorded a net income; and (v) a significant increase in deferred income tax expenses. The above increases in relevant income and asset values cannot offset the impact of (i) and (v).

The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited management accounts of the Group for FY2020 and information currently available. Such information has not been audited or reviewed by the Company's auditor and the audit committee, and may be subject to amendments. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for FY2020 which is expected to be issued on or around 30 March 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, 19 March 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, (ii) one non-executive director, namely, Mr. He Darong, and (iii) four independent non-executive directors, namely, Mr. Tsang Hung Kei, Mr. Au Tien Chee Arthur, Mr. Xu Yan and Mr. Zhou Xiaojiang.*