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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)**

**PROPOSED FOURTH SUPPLEMENTAL AMENDMENTS TO THE TERMS  
AND CONDITIONS OF THE CONVERTIBLE BONDS**

**INTRODUCTION**

Reference is made to the Convertible Bonds Announcements and the announcement of the Company dated 17 February 2023 in relation to the termination of acting in concert confirmation.

The Convertible Bonds has matured on 31 January 2023 and the Company, the Purchaser and the Obligors entered into the Fourth Supplemental Deed of Amendment to extend the maturity of the Convertible Bonds and to amend certain Convertible Bonds Terms and Conditions.

**PROPOSED FOURTH SUPPLEMENTAL AMENDMENTS OF THE CONVERTIBLE BONDS**

The Board hereby announces that, on 30 June 2023 (after trading hours), the Company, the Purchaser and the Obligors have entered into the Fourth Supplemental Deed of Amendment, pursuant to which the Company, the Purchaser and the Obligors agreed to further amend the following Convertible Bonds Terms and Conditions:

1. The maturity of the Convertible Bonds and the Remaining Bond Balance shall be extend and repaid in the following manner:

<b>Instalment repayment</b>	<b>Extended Maturity Date of the corresponding instalments</b>
HK\$12,000,000 of the Remaining Bond Balance	On or before 31 July 2023
HK\$14,000,000 of the Remaining Bond Balance	On or before 31 January 2024
HK\$14,000,000 of the Remaining Bond Balance	On or before 31 July 2024

2. For so long as the Convertible Bonds remain outstanding, the Total Net Assets shall not be less than RMB280,000,000 (or its equivalent in any other currency or currencies) at any time after (and including) 31 January 2023, without taking into account the effect on the Total Net Assets caused by a change of the fair value for the Convertible Bonds.

3. Upon the full repayment of the Remaining Bond Balance together with all interests and fees on such principal amount, the Company may apply a waiver from the Purchaser in relation to the default interest accrued in relation to certain events of default and the Purchaser may, at its sole and absolute discretion, determine if any waiver shall be granted on the default interest accrued. The outstanding Remaining Bond Balance and default interest shall become immediately due and payable if the Company defaults in any instalment repayments as set out above and/or the Purchaser does not grant a waiver despite the full repayment of the Remaining Bond Balance by the Company.
4. Insider Solution Limited and Mr. Chen Guoxian (陳國顯) ceased to be a party to the Subscription Agreement dated 25 January 2018 in relation to the Convertible Bonds with effect from 17 February 2023.

### **Long Stop Date**

The Fourth Supplemental Deed of Amendment shall lapse and cease to have any effect if the Completion Date has not occurred on or before 20 July 2023 (or such later date as may be agreed by the Purchaser).

### **CONDITIONS PRECEDENT**

Pursuant to the Fourth Supplemental Deed of Amendment, the Fourth Supplemental Amendments are subject to the satisfaction of, among others, the following conditions precedent or otherwise waived by the Purchaser, one Business Day before, and excluding, the Completion Date:

1. the Stock Exchange having granted written approval for the Fourth Supplemental Amendments;
2. all necessary checks, consents and approvals required to be obtained on the part of the Purchaser and the Company in respect of the Fourth Supplemental Amendments having been obtained and remained in full force and effect; and
3. the personal guarantee provided by Mr. Zhang Tiewei pursuant to the Subscription Agreement continues to be in full force and effect, and has not been withdrawn or revoked.

Save for the Fourth Supplemental Amendments, all other Convertible Bonds Terms and Conditions remain unchanged. The Subscription Agreement, the Convertible Bonds and the Bond Certificate issued by the Company to the Purchaser on 1 February 2018 will be read and construed and be enforceable as if the Fourth Supplemental Amendments were inserted therein by way of addition or substitution, as the case may be.

### **PERSONAL GUARANTEE**

Under the Fourth Supplemental Amendments, the personal guarantee previously given by Mr. Zhang Tiewei in favour of the Purchaser, which includes and not limited to guarantee the punctual performance by the Obligors of their obligations, continue to be in full force and effect on and after the Completion Date.

Accordingly, the personal guarantee, which is a provision of financial assistance by Mr. Zhang Tiewei to the Company as the chairman, executive director and substantial shareholder of the Company, constitutes a connected transaction of the Company under Chapter 14A of the Main Board Listing Rules. As the personal guarantee was provided for the benefit of the Company on normal commercial terms or better and is not secured by the assets of the Group, it is exempt from the reporting, announcement and independent Shareholders' approval requirements under the Main Board Listing Rules.

## INDEPENDENT THIRD PARTY

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company.

## SHAREHOLDING STRUCTURE

As at the date of this announcement, the Company has 552,307,936 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the full exercise of the conversion right (assuming that there will be no further changes in the total number of Shares in issue prior to such exercise and no adjustment to the Conversion Price) are as follows:

Shareholders	As at the date of this announcement <i>Number of underlying shares</i>	As at the date of this announcement <i>% of shareholding (Approximately)</i>	Immediately after the full exercise of the conversion right <i>Number of underlying shares</i>	Immediately after the full exercise of the conversion right <i>% of shareholdings (Approximately)</i>
Expert Depot Limited ( <i>Notes 1 and 4</i> )	122,560,000	22.19%	122,560,000	20.81%
Mr. Zhang Tiewei ( <i>Note 4</i> )	1,638,000	0.30%	1,638,000	0.28%
Bliss Success Investments Limited ( <i>Notes 2 and 4</i> )	74,110,000	13.42%	74,110,000	12.58%
Novel Heritage Limited ( <i>Notes 3 and 4</i> )	63,294,000	11.46%	63,294,000	10.75%
The Purchaser	0	0%	36,697,248	6.23%
Other public Shareholders	<u>290,705,936</u>	<u>52.63%</u>	<u>290,705,936</u>	<u>49.35%</u>
<b>Total:</b>	<b><u>552,307,936</u></b>	<b><u>100%</u></b>	<b><u>589,005,184</u></b>	<b><u>100%</u></b>

Certain percentage figures included in the above table have been subject to rounding adjustments.

### Notes:

1. Expert Depot Limited is a company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. Zhang Tiewei, our chairman and an executive Director.
2. Bliss Success Investments Limited is a company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. Xu Kaiying, an executive Director.
3. Novel Heritage Limited is a company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. Pang Haoquan, an executive Director.

4. Pursuant to a deed of termination dated 17 February 2023, Mr. Chen Guoxian\* (陳國顯) terminated the acting in concert arrangement pursuant to the Acting in Concert Confirmation and Mr. Zhang Tiewei, Mr. Xu Kaiying, Mr. Pang Haoquan confirmed that they remain as parties acting in concert, in exercising and implementing the management and operation of the Group with each other and reached consensus before making any commercial decisions (including financial decisions and business operation decisions) on an unanimous basis. They are deemed to be interested in 261,602,000 Shares, representing approximately 47.37% of the total issued share capital of the Company as at the date of this announcement, by virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **IMPLICATIONS UNDER THE LISTING RULES**

Pursuant to Rule 28.05 of the Main Board Listing Rules, any alterations in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alterations take effect automatically under the existing terms of such convertible debt securities. As the amendments are alterations to terms of the Convertible Bonds that do not take effect automatically under the existing terms, the Company shall seek all necessary approval from the Stock Exchange accordingly.

The Company will have to allot and issue 36,697,248 Conversion Shares to the Purchaser upon the full conversion of the Convertible Bonds based on the conversion price of HK\$1.09 per share. The 36,697,248 Conversion Shares will be issued and allotted under the 2023 General Mandate. As at the date of this announcement, the Company has not issued and allotted any shares under the 2023 General Mandate and the 2023 General Mandate is sufficient to cover the proposed allotment and issuance of 36,697,248 Conversion Shares.

## **REASONS FOR THE FOURTH SUPPLEMENTAL AMENDMENTS**

The Convertible Bonds will have, but for the Fourth Supplemental Amendments, matured on 31 January 2023 upon which the Company would be required to deploy its cash reserves and/or rely on other fundraising and financing activities to redeem the Convertible Bonds. The Fourth Supplemental Amendments will allow the Group to have more financial flexibility, to be waived from paying default interest arising from events of default and would allow the Group to utilise its deployable cash for working capital purposes.

The Fourth Supplemental Amendments were arrived after arm's length negotiation between the Company and the Purchaser, with reference to, among others, (i) the Company's past performance; (ii) the Company's current financial and cash position, (iii) the prevailing market price of the Shares and (iv) recent market conditions. In view of the above, the Board considers that the Fourth Supplemental Amendments are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

**Shareholders and potential investors should note that the Fourth Supplemental Deed of Amendment is conditional upon fulfilment of all conditions precedent therein. The Fourth Supplemental Amendments may or may not materialize. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acting in Concert Confirmation”                      the acting in concert confirmation dated 31 May 2015 entered into between Mr. Zhang Tiewei\*(張鐵偉), Mr. Xu Kaiying\*(徐凱英),

	Mr. Pang Haoquan* (龐浩泉), and Mr. Chen Guoxian* (陳國顯)
“Bliss Success Investments Limited”	a limited liability company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. Xu Kaiying, an executive Director of the Company
“Board”	the board of directors of the Company
“Bond Certificate”	the bond certificate(s) (in registered form) issued by the Company to the Purchaser in respect of the Convertible Bonds
“Business Day”	a day on which commercial banks and foreign exchange markets settle payments in Hong Kong, excluding any day in Hong Kong on which a typhoon signal number 8 or above or a “black” rainstorm warning is hoisted
“Company”	China Success Finance Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of The Stock Exchange of Hong Kong Limited (stock code: 3623)
“Conversion Shares”	the Shares to be allotted and issuance pursuant to the Fourth Supplemental Deed of Amendment upon exercise of the Purchaser’s conversion right
“Convertible Bonds”	6.5 per cent guaranteed convertible bond for an aggregate outstanding principal amount of HK\$40,000,000 issued by the Company to the Purchaser
“Convertible Bonds Announcements”	announcements of the Company (1) dated 25 January 2018 in respect of the proposed issuance of the Convertible Bonds under General Mandate; (2) dated 1 February 2018 in relation to the completion of the issuance of Convertible Bonds under General Mandate; (3) dated 27 December 2018 in relation to the alterations of the terms and conditions of the Convertible Bonds; (4) dated 31 December 2018 in respect of the additional information regarding the alterations of the terms and conditions of the Convertible Bonds; (5) dated 11 January 2019 in relation to the completion of the alterations of the terms and conditions of the Convertible Bonds; (6) dated 13 November 2020 in relation to the partial conversion of the Convertible Bonds in the aggregate principal amount of HK\$10,000,000 at the conversion price of HK\$1.09 per Share; (7) dated 28 January 2021 in relation to the further partial conversion of the Convertible Bonds in the aggregate principal amount of HK\$10,000,000 at the conversion price of HK\$1.09 per Share; (8) dated 29 January 2021 in relation to the further alteration of the terms and conditions of the Convertible Bonds; (9) dated 24 September 2021 in relation to the further alteration of the terms and conditions of the Convertible Bonds; (10) dated 24 November 2021 in relation to the supplemental and completion announcement of the further alteration of the terms and conditions of the Convertible Bonds; (11) dated 18 January 2022 in relation to the conversion of the Convertible Bonds; (12) dated 28 January 2022 in relation to

	the further alteration of the terms and conditions of the Convertible Bonds; (13) dated 16 May 2022 in relation to the third supplemental amendments of the terms and conditions of the Convertible Bonds; (14) dated 10 June 2022 in relation to the completion of the third supplemental amendments of the terms and conditions of the Convertible Bonds; and (15) dated 14 June 2022 in relation to the conversion of the Convertible Bonds
“Convertible Bonds Terms and Conditions”	the terms of the Subscription Agreement dated 25 January 2018 and the terms and conditions of the Convertible Bonds which were issued on 1 February 2018 and amended on 11 January 2019, 24 November 2021 and 10 June 2022
“Corporate Obligors”	Expert Depot, Bliss Success and Novel Heritage, with their respective entire issued share capital held by Mr. Zhang Tiewei*(張鐵偉), Mr. Xu Kaiying* (徐凱英), Mr. Pang Haoquan* (龐浩泉), who are parties to the Deed of Termination dated 17 February 2023 confirming the acting in concert arrangement between them
“Completion Date”	the first Business Day after, and excluding, the date upon which the last of the conditions precedent under the Fourth Supplemental Deed of Amendment (save for such condition precedent which are required to be satisfied only on the Completion Date) has been satisfied or otherwise waived by the Purchaser, or such other date as the Company and the Purchaser may agree in writing
“Director(s)”	the director(s) of the Company
“Deed of Termination”	the deed of termination dated 17 February 2023 entered into between Mr. Zhang Tiewei*(張鐵偉), Mr. Xu Kaiying* (徐凱英), Mr. Pang Haoquan* (龐浩泉) and Mr. Chen Guoxian* (陳國顯) confirming the acting in concert arrangement between Mr. Zhang, Mr. Xu and Mr. Pang and terminating Mr. Chen’s acting in concert arrangement
“Expert Depot Limited”	a limited liability company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. Zhang Tiewei, Chairman and executive Director of the Company
“Extended Maturity Date”	the maturity date of the Convertible Bonds the Purchaser has agreed to extend to
“Fourth Supplemental Amendments”	the Fourth Supplemental Amendments to the Convertible Bonds Terms and Conditions under the Fourth Supplemental Deed of Amendment
“Fourth Supplemental Deed of Amendment”	the fourth amendment deed of the Convertible Bonds Terms and Conditions entered into between the Company, the Purchaser and the Obligors to effect the Fourth Supplemental Amendments
“Group”	the Company together with its subsidiaries
“Insider Solution Limited”	a limited liability company incorporated in the British Virgin

	Islands whose entire issued share capital is held by Mr. Chen Guoxian* (陳國顯)
“Main Board Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited
“Novel Heritage Limited”	a limited liability company incorporated in the British Virgin Islands whose entire issued share capital is held by Mr. Pang Haoquan, an executive Director of the Company
“Obligors”	the Corporate Obligors and their respective beneficial owners who are parties to the Deed of Termination dated 17 February 2023 confirming the acting in concert arrangement between them
“Purchaser”	Chance Talent Management Limited, a company incorporated in the British Virgin Islands with limited liability and its ultimate beneficial owner is China Construction Bank Corporation (Stock Code: 0939)
“Remaining Bond Balance”	the outstanding Convertible Bonds principal amount of HK\$40,000,000
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Total Net Assets”	the consolidated total net assets of the Group, which is equal to (i) the aggregate of the amounts of the consolidated non-current assets and consolidated current assets of the Group less (ii) the aggregate of the amounts of the consolidated non-current liabilities and consolidated current liabilities of the Group (as such terms are interpreted in accordance with HKFRS and their values are ascertained from the most recently published consolidated financial statements of the Company at the relevant time
“2023 General Mandate”	the general mandate from the shareholders of the Company granted to the directors of the Company at the 2023 annual general meeting of the Company held on 25 May 2023, to issue, allot and otherwise deal in shares not exceeding twenty (20) per cent of the number of issued shares of the Company as at 25 May 2023 pursuant to the provisions of the Main Board Listing Rules

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

Hong Kong, 30 June 2023

*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) three independent non-executive directors, namely, Mr. Tsang Hung Kei, Mr. Au Tien Chee Arthur and Mr. Zhou Xiaojiang.*