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

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that, based on the preliminary assessment of the Group’s unaudited management accounts for the six months ended 30 June 2023 (the “**Reporting Period**”) and information currently available to the Board, the Group expects its revenue for the Reporting Period to decrease in the range of approximately 94% to 97% as compared to the same period of last year, i.e. the six months ended 30 June 2022 (the “**Last Year Period**”) and the total comprehensive loss for the Reporting Period to decrease in the range of approximately 40% to 50% as compared to the Last Year Period. The main reasons for the change in results for the Reporting Period are set out below:

The decrease of revenue for the period was mainly attributable to: (i) the substantial decrease in the Group's net guarantee fee income during the Reporting Period as compared to the Last Year Period, which was mainly due to the significant decrease in the volume of business during the Reporting Period as a result of the Group's business strategy of "risk first, business second" and was overlapped with the impact of the adjustment of the products of the cooperating institutions; and (ii) the significant decrease of revenue insales of market hogsas compared to the Last Year Period, which was mainly due to the intensification of the situation of high supply and low demand in the hogs market during the Reporting Period and the Group proactively downsized its production capacity and reduced production to minimize the scale of losses.

The decrease in loss for the period was mainly attributable to: (i) the significant decrease in the provision for impairment losses of the Group during the Reporting Period as compared to the Last Year Period, which was mainly due to the risk of impairment of the underlying assets during the Last Year Period; and (ii) the decrease in operating expenses of the Group during the Reporting Period as compared to the Last Year Period, which was mainly due to the decrease in operating expenses as a result of the contraction in the volume of business.

Despite the foregoing, the Group maintains a healthy cash flow and financial position to meet its business needs. The Group will continue to actively explore customers' needs and seek more diversified cooperation with financial institutions and technology companies to satisfy customers' personalized and integrated financial needs. At the same time, the Group will adjust and optimize the integrated financial services for the supply chain and commence business depending on the market conditions to offer customers tailored financial products that align with industry characteristics.

The information contained in this announcement is based on the preliminary assessment by the Board of the unaudited management accounts of the Group for the Reporting Period and the information currently available to the Board. The Group is in the process of finalizing its interim results for the Reporting Period. Actual financial results of the Group may be different from what is disclosed in this announcement. Shareholders and potential investors of the Company are advised to read carefully the announcement of the Company in relation to its financial results for the Reporting Period.

**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, 18 August 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.*