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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 and potential investors of the Company that, based on the preliminary assessment of the Group’s unaudited consolidated management accounts for the year ended 31 December 2023 (the “**Reporting Period**”) and information currently available to the Board, the Group expects revenue for the Reporting Period to decrease in the range of approximately 75% to 79% as compared to 2022, and loss for the Reporting Period to decrease by approximately 42% to 48% as compared to the loss recorded in 2022. The main reasons for these changes in performance during the Reporting Period are as follows:

Reasons for the decrease in revenue for the Reporting Period was mainly attributable to: (i) the decrease in the Group's net guarantee fee income as compared to 2022 mainly because the Group adopted the business strategy of “risk first, business second” during the Reporting Period, exercised stringent risk control, and selectively launched the traditional guarantee business, coupled with the impact brought about by the change in product mix from the cooperating institutions, which resulted in an overall decrease in business as compared to 2022; and (ii) sales of market hogs decrease significantly as compared to 2022, which was mainly due to intensification of high supply and low demand for market hogs during the Reporting Period. To minimize the scale of losses, the Group proactively downsized its production of market hogs.

The decrease in loss for the Reporting 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 2022, which was mainly due to the recovery of the aged receivables with provision made in prior year during the Reporting Period; (ii) the decrease in the Group's operating expenses of the Reporting Period as compared to 2022, which was mainly due to the decrease in the number of hogs culled; (iii) as at the end of the Reporting Period, the Group had repaid most of the principal amount of the convertible bonds in accordance with the repayment schedule, and the Group's interest expense decreased significantly as compared to 2022; and (iv) a net gain was recorded during the Reporting Period from changes in the fair value of the Group's financial assets as measured at fair value through profit or loss.

Despite the foregoing, the Group is able to maintain a healthy cash flow and financial position to meet its business needs. The rate of decline in the Group's revenue during the Reporting Period decelerated as compared to the same disclosed in the 2023 Interim Report. This was attributable to: (i) the completion of the Group's projects with the trading markets in China in the second half of 2023; and (ii) the Group has cooperated with a professional energy storage research and development company to develop safe, environmentally-friendly, efficient and stable industrial and commercial energy storage system mainly for overseas customers.

In addition, the Company's hog farm has completed biosafety assessment and renovation to improve breeding quality and efficiency and has gradually resumed production.

The information contained in this announcement is based on the preliminary assessment by the Board of the unaudited consolidated management accounts of the Group for the Reporting Period and the information currently available to the Board. Such information has neither been audited nor reviewed by the auditor of the Company. The Group is in the process of finalizing its annual results for the Reporting Period. Actual financial results of the Group may differ from those disclosed in this announcement. Shareholders and potential investors of the Company are advised to carefully read 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, 21 March 2024

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.