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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2024

| FINANCIAL HIGHLIGHTS | For the six months ended 30 June | | |
|--|---------------------------------------|---|-------------|
| | 2024 (RMB'000) | 2023 (RMB'000) | Change In % |
| REVENUE | 54,511 | 2,926 | 1,763.0 |
| OTHER REVENUE | 1,306 | 2,709 | (51.8) |
| LOSS BEFORE TAXATION | (19,144) | (31,041) | (38.3) |
| LOSS FOR THE PERIOD | (22,063) | (34,898) | (36.8) |
| TOTAL COMPREHENSIVE LOSS FOR THE PERIOD | (20,803) | (36,327) | (42.7) |
| BASIC LOSS PER SHARE (RMB PER SHARE) | (0.02) | (0.05) | (60.0) |
| | AS AT 30 JUNE 2024 (RMB'000) | AS AT 31 DECEMBER 2023 (RMB'000) | Change In % |
| TOTAL ASSETS | 608,496 | 644,936 | (5.7) |
| TOTAL EQUITY | 272,288 | 292,107 | (6.8) |

INTERIM RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Success Finance Group Holdings Limited (the “**Company**”) is pleased to announce the condensed consolidated financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 together with the comparative figures for the corresponding period in 2023.

Condensed Consolidated Statement of Profit or Loss
Six months ended 30 June 2024

| | | Six months ended 30 June | |
|--|-------------|---------------------------------|--------------------|
| | <i>Note</i> | 2024 | 2023 |
| | | RMB'000 | RMB'000 |
| | | (unaudited) | (unaudited) |
| Guarantee income | | 14,382 | 19,068 |
| Less: guarantee service fee | | (251) | (17,305) |
| | | <hr/> | <hr/> |
| Net guarantee fee income | | 14,131 | 1,763 |
| Services fee from consulting services | | 118 | 12 |
| Income from financial leasing service | | 647 | – |
| Sales of market hogs | | 4,362 | 1,151 |
| Sales of energy storage system | | 35,253 | – |
| | | <hr/> | <hr/> |
| Revenue, net | 2 | 54,511 | 2,926 |
| Other revenue | 3 | 1,306 | 2,709 |
| Cost of market hogs sold | | (4,778) | (5,759) |
| Cost of energy storage system sold | | (33,052) | – |
| Reversal of impairment and provision | 4(a) | 6,278 | 938 |
| Impairment loss on property, plant and equipment | 10 | (15,613) | – |
| Operating expenses | | (20,739) | (25,127) |
| Research and development costs | | (535) | (592) |
| Interest expenses | 4(d) | (5,410) | (7,909) |
| Net changes in fair value of biological assets | | – | 3,091 |
| Share of results of associates | | (1,112) | (1,318) |
| | | <hr/> | <hr/> |
| Loss before taxation | 4 | (19,144) | (31,041) |
| Income tax expense | 5 | (2,919) | (3,857) |
| | | <hr/> | <hr/> |
| Loss for the period | | (22,063) | (34,898) |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Loss attributable to: | | | |
| Owners of the Company | | (9,630) | (28,896) |
| Non-controlling interests | | (12,433) | (6,002) |
| | | <hr/> | <hr/> |
| | | (22,063) | (34,898) |
| | | <hr/> <hr/> | <hr/> <hr/> |
| Loss per share | | RMB | RMB |
| Basic | 6 | (0.02) | (0.05) |
| | | <hr/> | <hr/> |
| Diluted | 6 | (0.02) | (0.05) |
| | | <hr/> | <hr/> |

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
Six months ended 30 June 2024

| | Six months ended 30 June | |
|--|---------------------------------|-------------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| Loss for the period | (22,063) | (34,898) |
| Other comprehensive income (loss) | | |
| <i>Item that will not be reclassified to profit or loss:</i> | | |
| Currency translation on financial statements of the Company | 3,451 | 231 |
| <i>Item that may be reclassified subsequently to profit or loss:</i> | | |
| Currency translation differences of foreign operations | (2,191) | (1,660) |
| Other comprehensive income (loss) for the period | 1,260 | (1,429) |
| Total comprehensive loss for the period | (20,803) | (36,327) |
| Total comprehensive loss attributable to: | | |
| Owners of the Company | (8,370) | (30,325) |
| Non-controlling interests | (12,433) | (6,002) |
| | (20,803) | (36,327) |

Condensed Consolidated Statement of Financial Position
As at 30 June 2024

| | <i>Note</i> | At 30 June 2024 RMB'000 (unaudited) | At 31 December 2023 RMB'000 (audited) |
|---|-------------|---|---|
| Assets | | | |
| Cash and bank deposits | | 178,428 | 134,077 |
| Pledged bank deposits | | 53,009 | 72,694 |
| Trade and other receivables | 7 | 111,943 | 135,860 |
| Factoring receivable | 8 | 13,258 | 25,345 |
| Finance lease receivable | 9 | 31,741 | 32,310 |
| Interest in associates | | 21,684 | 22,796 |
| Biological assets | | 874 | 1,683 |
| Inventories | | 225 | 442 |
| Property, plant and equipment | 10 | 160,632 | 180,108 |
| Financial assets measured at fair value through profit or loss | | 11,169 | 11,169 |
| Deferred tax assets | | 25,533 | 28,452 |
| Goodwill | | – | – |
| | | <u>608,496</u> | <u>644,936</u> |
| Liabilities | | | |
| Liabilities from guarantees | | 16,618 | 22,118 |
| Pledged deposits received | | 104,545 | 104,491 |
| Interest-bearing borrowings | 11 | 131,213 | 136,758 |
| Liability component of convertible bonds | | 13,914 | 25,609 |
| Accruals and other payables | | 40,164 | 35,563 |
| Current tax | | 16,468 | 16,468 |
| Lease liabilities | | 13,286 | 11,822 |
| | | <u>336,208</u> | <u>352,829</u> |
| NET ASSETS | | <u>272,288</u> | <u>292,107</u> |
| Capital and reserves | | | |
| Share capital | | 4,420 | 4,420 |
| Reserves | | 312,752 | 320,138 |
| | | <u>317,172</u> | <u>324,558</u> |
| Non-controlling interests | | <u>(44,884)</u> | <u>(32,451)</u> |
| TOTAL EQUITY | | <u>272,288</u> | <u>292,107</u> |

Notes to the condensed consolidated financial statements

1. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements has been prepared under the historical cost convention except for investments in debt and equity securities, derivative financial instruments and biological assets at fair value through profit or loss, which are measured at fair value.

The accounting policies adopted in the preparation of the condensed interim financial report are consistent with those used in the preparation of the 2023 Annual Financial Statements, except for the adoption of the following new/revised Hong Kong Financial Reporting Standards (“HKFRSs”) that are effective for the Group’s financial year beginning on 1 January 2024.

| | |
|-----------------------------------|---|
| Amendments to HKAS 1 | Classification of Liabilities as Current or Non-current |
| Amendments to HKAS 1 | Non-current Liabilities with Covenants |
| Amendments to HK Interpretation 5 | Presentation of Financial Statements – Classification by the Borrower of a Team Loan that Contains a Repayment on Demand Clause |
| Amendments to HKAS 7 and HKFRS 7 | Supplier Finance Arrangements |
| Amendments to HKFRS 16 | Lease Liability in a Sale and Leaseback |

The adoption of these amendments to HKFRSs does not have any significant impacts on the condensed interim financial report of the Group.

The Group has not early adopted any new/revised HKFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2024. The directors are in the process of assessing the possible impact on the future adoption of these new/revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the Group’s results and financial position.

2. REVENUE AND SEGMENT REPORTING

(a) Revenue

The amount of each significant category of revenue recognised during the period is as follows:

| | Six months ended 30 June | |
|---|--------------------------|--------------|
| | 2024 | 2023 |
| | RMB’000 | RMB’000 |
| | (unaudited) | (unaudited) |
| Guarantee fee income | | |
| – Income from financial guarantees | 190 | 121 |
| – Income from online financial guarantees | 14,150 | 18,803 |
| – Income from performance guarantees | 42 | 144 |
| | <hr/> | <hr/> |
| Gross guarantee fee income | 14,382 | 19,068 |
| Less: guarantee service fee | (251) | (17,305) |
| | <hr/> | <hr/> |
| Net guarantee fee income | 14,131 | 1,763 |
| | <hr/> | <hr/> |
| Service fee from consulting services | 118 | 12 |
| Income from financial leasing services | 647 | – |
| Sales of market hogs | 4,362 | 1,151 |
| Sales of energy storage system | 35,253 | – |
| | <hr/> | <hr/> |
| Revenue, net | 54,511 | 2,926 |
| | <hr/> <hr/> | <hr/> <hr/> |

2. REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting

The Group manages its business by business operations in a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resources allocation and performance assessment. The Group's reportable and operating segments are as follows:

- Financial services: providing guarantee service, factoring service, financial leasing service and consultancy service in the People's Republic of China (the "PRC").
- Hog selling: sales of market hogs in the PRC.
- Energy storage: trading of energy storage system overseas.

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all assets and segment liabilities include all liabilities of the Group.

Segment revenue and segment expenses are determined based on revenue generated by those segments and the expenses incurred by those segments. Segment results include the Group's share of results of associates.

Segment performance is evaluated based on reportable segment profit/loss, which is measured consistently with the Group's profit/loss.

2. REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(i) Segment results, assets and liabilities (continued)

| | Financial services | | Hog Selling | | Energy storage | | Total | |
|---|--------------------------|-----------------|-----------------|-----------------|----------------|-------------|-----------------|-----------------|
| | Six months ended 30 June | | | | | | | |
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Guarantee income | 14,382 | 19,068 | - | - | - | - | 14,382 | 19,068 |
| Less: guarantee service fee | (251) | (17,305) | - | - | - | - | (251) | (17,305) |
| Net guarantee fee income | 14,131 | 1,763 | - | - | - | - | 14,131 | 1,763 |
| Service fee from consulting services | 118 | 12 | - | - | - | - | 118 | 12 |
| Income from financial leasing services | 647 | - | - | - | - | - | 647 | - |
| Sales of market hogs | - | - | 4,362 | 1,151 | - | - | 4,362 | 1,151 |
| Sales of energy storage system | - | - | - | - | 35,253 | - | 35,253 | - |
| Revenue, net | 14,896 | 1,775 | 4,362 | 1,151 | 35,253 | - | 54,511 | 2,926 |
| Other revenue | 1,106 | 1,366 | 192 | 1,343 | 8 | - | 1,306 | 2,709 |
| Cost of market hogs sold | - | - | (4,778) | (5,759) | - | - | (4,778) | (5,759) |
| Cost of energy storage system sold | - | - | - | - | (33,052) | - | (33,052) | - |
| Reversal of impairment and provision | 6,278 | 938 | - | - | - | - | 6,278 | 938 |
| Impairment loss on property, plant and equipment | - | - | (15,613) | - | - | - | (15,613) | - |
| Operating expenses | (12,339) | (16,886) | (6,105) | (8,241) | (2,295) | - | (20,739) | (25,127) |
| Research and development costs | (535) | (592) | - | - | - | - | (535) | (592) |
| Interest expenses | (1,943) | (4,155) | (3,467) | (3,754) | - | - | (5,410) | (7,909) |
| Net changes in fair value of biological assets | - | - | - | 3,091 | - | - | - | 3,091 |
| Share of results of associates | (1,112) | (1,318) | - | - | - | - | (1,112) | (1,318) |
| Reportable segment profit (loss) before taxation | 6,351 | (18,872) | (25,409) | (12,169) | (86) | - | (19,144) | (31,041) |
| Income tax expense | (2,919) | (3,857) | - | - | - | - | (2,919) | (3,857) |
| Reportable segment profit (loss) for the period | 3,432 | (22,729) | (25,409) | (12,169) | (86) | - | (22,063) | (34,898) |

2. REVENUE AND SEGMENT REPORTING (continued)

(b) Segment reporting (continued)

(ii) Geographic information

The revenue information based on the geographical location of the customers is as follows:

| | Financial services <i>RMB'000</i> | Hog selling <i>RMB'000</i> | Energy storage <i>RMB'000</i> | Total <i>RMB'000</i> |
|---------------------------------|---|-------------------------------|-------------------------------------|-------------------------|
| Six months ended | | | | |
| 30 June 2024 (unaudited) | | | | |
| <i>Geographical region:</i> | | | | |
| – Mainland China | 14,896 | 4,362 | – | 19,258 |
| – South Africa | – | – | 35,253 | 35,253 |
| | <u>14,896</u> | <u>4,362</u> | <u>35,253</u> | <u>54,511</u> |

| | Financial services <i>RMB'000</i> | Hog selling <i>RMB'000</i> | Energy storage <i>RMB'000</i> | Total <i>RMB'000</i> |
|---------------------------------|---|-------------------------------|-------------------------------------|-------------------------|
| Six months ended | | | | |
| 30 June 2023 (unaudited) | | | | |
| <i>Geographical region:</i> | | | | |
| – Mainland China | 1,775 | 1,151 | – | 2,926 |
| | <u>1,775</u> | <u>1,151</u> | <u>–</u> | <u>2,926</u> |

The geographical locations of non-current assets other than financial assets measured at fair value through profit or loss, biological assets and deferred tax assets are based on the physical location of the assets under consideration.

| | As at 30 June 2024 <i>RMB'000</i> <i>(unaudited)</i> | As at 31 December 2023 <i>RMB'000</i> <i>(audited)</i> |
|----------------|--|--|
| Hong Kong | 250 | 339 |
| Mainland China | 160,382 | 179,769 |
| | <u>160,632</u> | <u>180,108</u> |

3. OTHER REVENUE

| | Six months ended 30 June | |
|---|--------------------------|--------------------|
| | 2024 | 2023 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Interest income from bank deposits | 1,091 | 1,144 |
| Government grants | – | 477 |
| Compensation income from insurance claim on loss of market hogs | 11 | – |
| Others | 204 | 1,088 |
| | <u>1,306</u> | <u>2,709</u> |

4. LOSS BEFORE TAXATION

| | Six months ended 30 June | |
|--|--------------------------|--------------------|
| | 2024 | 2023 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Loss before taxation is arrived at after (reversing)/charging: | | |
| (a) Reversal of impairment and provision | | |
| Provision reversed for guarantees issued | (4,848) | (2,036) |
| Impairment allowances charged/(reversed) for: | | |
| – receivables from guarantee payments | 854 | 297 |
| – deposit and other receivables | (3,367) | 159 |
| – amounts due from related parties | – | (1,000) |
| – factoring receivable | 320 | 550 |
| – finance lease receivable | 763 | 1,092 |
| | <u>(6,278)</u> | <u>(938)</u> |
| (b) Staff costs | | |
| Salaries, wages and other benefits | 6,682 | 9,832 |
| Contributions to defined contribution retirement plan | 587 | 334 |
| Equity-settled share-based payment expenses | 984 | 326 |
| | <u>8,253</u> | <u>10,492</u> |

4. LOSS BEFORE TAXATION (continued)

| | Six months ended 30 June | |
|---|--------------------------|--------------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| (c) Other items | | |
| Depreciation charge | | |
| – right-of-use assets | 924 | 866 |
| – owned property, plant and equipment | 5,348 | 5,224 |
| | <u>6,272</u> | <u>6,090</u> |
| Net foreign exchange loss | 851 | 386 |
| Loss of inventory | 627 | 4,207 |
| | <u>627</u> | <u>4,207</u> |
| (d) Interest expenses | | |
| Interest on bank loans and other borrowings | 3,399 | 3,682 |
| Interest on convertible bonds | 1,596 | 3,926 |
| Interest on lease liabilities | 415 | 298 |
| Others | – | 3 |
| | <u>5,410</u> | <u>7,909</u> |

5. INCOME TAX

| | Six months ended 30 June | |
|--|--------------------------|----------------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| | (unaudited) | (unaudited) |
| Current tax | | |
| Provision for PRC Enterprise Income Tax for the period | – | – |
| Tax filing differences | – | (24) |
| | <u>–</u> | <u>(24)</u> |
| Deferred taxation | | |
| Origination and reversal of temporary differences | (2,919) | (3,833) |
| | <u>(2,919)</u> | <u>(3,833)</u> |
| Income tax expense | <u>(2,919)</u> | <u>(3,857)</u> |

6. LOSS PER SHARE

The calculation of the basic loss per share is based on the loss attributable to owners of the Company for the six months ended 30 June 2024 of RMB9,630,000 (2023: loss of RMB28,896,000) and the weighted average number of 552,307,000 (2023: 552,307,000) ordinary shares in issue during the period.

Potential dilutive ordinary shares are not included in the calculation of diluted loss per share because they are anti-dilutive. Therefore, the diluted loss per share equals the basic loss per share.

7. TRADE AND OTHER RECEIVABLES

| | | At 30 June 2024 <i>RMB'000</i> <i>(unaudited)</i> | At 31 December 2023 <i>RMB'000</i> <i>(audited)</i> |
|--|-----|---|---|
| Receivables from guarantee payments | | 129,589 | 129,614 |
| Less: loss allowances | | <u>(111,705)</u> | <u>(110,851)</u> |
| | | <u>17,884</u> | <u>18,763</u> |
| Trade debtors from consultancy services | | – | 50 |
| Trade debtors from guarantees | | 851 | 851 |
| Trade debtors from sales of biological assets | | 516 | 516 |
| Trade debtors from sales of energy storage system | | <u>7,972</u> | <u>554</u> |
| | | <u>9,339</u> | <u>1,971</u> |
| Trade receivables | (a) | <u>27,223</u> | <u>20,734</u> |
| Deposit and other receivables, net of loss allowances | | 42,239 | 70,524 |
| Amounts due from related parties, net of loss allowances | | <u>–</u> | <u>–</u> |
| | | <u>69,462</u> | <u>91,258</u> |
| Deferred expenses of online financial guarantee business | | – | 251 |
| Prepayments for constructions | | 33,103 | 33,103 |
| Prepayments to former non-controlling interest of a subsidiary | | 5,198 | 5,342 |
| Prepayment to a supplier | | 500 | 2,199 |
| Mortgage assets | | 2,383 | 2,474 |
| Others | | <u>1,297</u> | <u>1,233</u> |
| Trade and other receivables | | <u><u>111,943</u></u> | <u><u>135,860</u></u> |

(a) Ageing analysis of trade receivables

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

| | At 30 June 2024 <i>RMB'000</i> <i>(unaudited)</i> | At 31 December 2023 <i>RMB'000</i> <i>(audited)</i> |
|-------------------------------------|---|---|
| Within 1 month | 7,981 | 1,080 |
| Over 1 month but less than 3 months | – | 50 |
| Over 3 months but less than 1 year | 516 | – |
| More than 1 year | <u>130,431</u> | <u>130,455</u> |
| | <u>138,928</u> | <u>131,585</u> |
| Less: loss allowances | <u>(111,705)</u> | <u>(110,851)</u> |
| | <u><u>27,223</u></u> | <u><u>20,734</u></u> |

8. FACTORING RECEIVABLE

| | At 30 June 2024 <i>RMB'000</i> <i>(unaudited)</i> | At 31 December 2023 <i>RMB'000</i> <i>(audited)</i> |
|---|---|---|
| Factoring receivable | 46,908 | 58,675 |
| Interest receivable from factoring receivable | 6,282 | 6,282 |
| | <u>53,190</u> | <u>64,957</u> |
| Less: loss allowances | (39,932) | (39,612) |
| | <u>13,258</u> | <u>25,345</u> |

(a) Ageing analysis

As at the end of the reporting period, the ageing analysis of factoring receivable, based on contract effective date, is as follows:

| | At 30 June 2024 <i>RMB'000</i> <i>(unaudited)</i> | At 31 December 2023 <i>RMB'000</i> <i>(audited)</i> |
|-------------------------------------|---|---|
| Within 1 month | – | – |
| Over 1 month but less than 3 months | – | – |
| Over 3 months but less than 1 year | 20,742 | 20,742 |
| More than 1 year | 32,448 | 44,215 |
| | <u>53,190</u> | <u>64,957</u> |
| Less: loss allowances | (39,932) | (39,612) |
| | <u>13,258</u> | <u>25,345</u> |

As at 30 June 2024, RMB32,448,000 (31 December 2023: RMB44,215,000) of the balances has passed the maturity date in contracts.

9. FINANCE LEASE RECEIVABLE

| | At 30 June 2024 <i>RMB'000</i> <i>(unaudited)</i> | At 31 December 2023 <i>RMB'000</i> <i>(audited)</i> |
|--------------------------|---|---|
| Finance lease receivable | 180,794 | 180,600 |
| Less: loss allowances | <u>(149,053)</u> | <u>(148,290)</u> |
| | <u>31,741</u> | <u>32,310</u> |

(a) Ageing analysis

As at the end of the reporting period, the ageing analysis of finance lease receivable based on the due date is as follows:

| | At 30 June 2024 <i>RMB'000</i> <i>(unaudited)</i> | At 31 December 2023 <i>RMB'000</i> <i>(audited)</i> |
|-----------------------|---|---|
| Not overdue | 16,194 | 16,000 |
| Over 1 year | <u>164,600</u> | <u>164,600</u> |
| | 180,794 | 180,600 |
| Less: loss allowances | <u>(149,053)</u> | <u>(148,290)</u> |
| | <u>31,741</u> | <u>32,310</u> |

10. MOVEMENTS IN PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2024, the Group acquired property, plant and equipment for considerations of RMB58,000 (2023: RMB462,000).

During the six months ended 30 June 2024, the Group recognised additions to right-of-use assets for leasing of pig farm of RMB2,325,000 (2023: Nil).

The directors have performed an impairment assessment on the property, plant and equipment in relation to the hog selling business as at 30 June 2024 based on value-in-use calculations. As a result of the impairment assessment, an impairment loss of RMB15,613,000 (2023: Nil) was recognised in profit or loss during the six months ended 30 June 2024.

11. INTEREST-BEARING BORROWINGS

| | At 30 June 2024 <i>RMB'000</i> <i>(unaudited)</i> | At 31 December 2023 <i>RMB'000</i> <i>(audited)</i> |
|---|---|---|
| Bank borrowings, secured | | |
| – Repayable within one year or on demand | 53,122 | 51,097 |
| – Repayable after one year but within two years | 16,184 | 15,155 |
| – Repayable after two years but within five years | 50,937 | 51,838 |
| – Repayable after five years | 10,970 | 18,668 |
| | <u>131,213</u> | <u>136,758</u> |

As at 30 June 2024, banking facilities of the Group totaling RMB140,000,000 (31 December 2023: RMB140,000,000) were pledged by ordinary shares of a subsidiary of the Company that held by the Group, and utilised to the extent of RMB118,980,000 (31 December 2023: RMB123,980,000).

As at 30 June 2024, the bank borrowings of RMB12,233,000 (31 December 2023: RMB12,778,000) was secured by the prepayment for constructions with carrying amount of RMB33,103,000 (31 December 2023: RMB33,103,000).

No covenants relating to the Group or any of the subsidiaries' financial ratios were required by the bank as of 30 June 2024 and 31 December 2023.

12. DIVIDENDS

No interim dividend was declared for the six months ended 30 June 2024 (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Below sets out the summary of the business, finance, liquidity and capital resources as well as prospect and outlook of the Company extracted from the interim report of the Company for the six months ended 30 June 2024. Further information may be included in the relevant parts (if any) of the interim report. Shareholders and potential investors are advised to read the Company's interim report carefully, to evaluate the situation of the Company in the above areas.

BUSINESS REVIEW

Steadily Developing Traditional Businesses

In the first half of 2024, the global economy was in the process of moderate recovery, but the growth momentum was still weak. Complicated factors such as high inflation, trade protectionism, and geopolitical conflicts gave rise to greater uncertainty, instability and imbalance. The global economy was still under considerable downward pressure. In the face of complicated and austere external environment and domestic multiple difficulties and challenges, China adhered to the principle of pursuing progress while maintaining stability, promoting stability through progress, and establishing before breaking, and effectively implemented various macro policies. The national economic development remained stable while making progress. However, the current external environment has become more complicated, severe and uncertain, with insufficient domestic effective demand, greater operating pressure on enterprises, and many hidden risks in key areas, which brought further difficulties and challenges in promoting stable economic operation.

In the first half of 2024, facing difficulties and risks, the Group adhered to the principle of prudent and steady operation, intensified risk control, and made efforts to drive the Group's business operation in a stable and orderly manner through steadily developing traditional businesses, promoting integrated services for the Greater Bay Area, exploring and optimising integrated financial services for the supply chain.

For guarantee business, based on the current operating situation, the Group's business expansion maintains its prudent strategies as last year. The Group adheres to the strategy of "risk first, business second", strictly controls risks, selectively carries out traditional businesses, and develops prudently and steadily. In combination with changes in the external environment and market demand, the Group optimizes business strategies, adjusts product structure, and strengthens communication with cooperative institutions to jointly explore new business models; continues to explore the field of fintech, optimizes fintech services, and improves the quality and efficiency of financial services; strengthens synergy and explores new potential for cooperation by leveraging multi-licenses advantages to improve the Group's competitiveness.

During the reporting period, the Group continued to optimize its business strategy, adjust its product structure, and actively expand financial services products with higher returns. According to the guarantee demand for payment of the trading market products, the Group tailor-made efficient and safe guarantee services for the payment of the trading of many products in the market to enhance the market participants' confidence and promote a smooth transaction. During the reporting period, such service model has benefited approximately 10,000 customers and the Group has achieved good financial benefits from this service.

In terms of settling the security payments and collecting guarantee receivable, the Group did not make security payments to any institution on behalf of its customers as there were no defaults on loans or payment obligations due from customers during the reporting period. The Group actively followed up the collection of guarantee receivables in previous years and recovered guarantee receivables of RMB0.02 million.

In the financial leasing business, the Group promptly adjusts its business strategies based on policy guidance and market trends, and explores opportunities to provide financial leasing business for enterprises settled in the park, with a view to providing customers with professional, efficient and convenient financial service solutions. On the other hand, the Group has further solidified its risk control foundation, enhanced risk management and control capabilities, optimised organisational structure to ensure the Company's stable operation.

Adjusting and Optimising the Hog Supply Chain Business

In the first half of 2024, despite the fact that the supply and demand for the domestic hog market gradually improved, the hog sales prices remained lower than breeding costs. However, following the May Day, stimulated by factors such as the slow reduction of the brood sow stocks, the continued decline in production capacity of hog in the industry, and the moderate increase in pork consumption demand, hog prices have shown an overall rebound trend. According to the public information published by the Agriculture and Rural Bureau, the hogs slaughter price in June rose 16.35% and 28.39% compared with May 2024 and the same period last year, respectively, representing a more prosperous market. Nevertheless, the whole industry is still challenged by frequent disease outbreaks, downward survival rate and increasing costs for epidemic prevention.

The biosecurity assessment and facilities upgrading in respect of the hog farms of the Group was completed by the end of 2023 with a view to preventing the spread of diseases and increasing the quality and efficiency of breeding in the future. In the first half of 2024, the hog breeding business recorded a sales volume of approximately 2,800 hogs and a revenue of RMB4.4 million, representing an increase of 279% as compared with the corresponding period of last year.

The Board paid close attention to the situation of hog market. In order to cope with various factors such as frequent fluctuations in hog prices and rising piglet costs, continuously high epidemic prevention costs caused by constant disease mutations as well as training and collaboration for production team, the Group has timely adjusted its hog breeding plan and chose a more flexible batch production model to enhance its breeding efficiency and quality since June 2024.

Exploring the International Energy Storage Business

The development of energy storage business is an important component and key support for building a green energy system, and is one of the important supporting means to achieve carbon peak emissions and carbon neutrality goals. In recent years, with green and low-carbon development becoming an international consensus, the energy storage industry has received strong policy support, and the energy storage market demand has maintained strong growth. Energy storage system users also have good potential demand for financial services. Faced with these opportunities, the Group has partnered with professional energy storage research and development company to conduct energy storage business in 2023 and laid the foundation for exploring supply chain financial services in the energy storage industry.

The energy storage business operations started in December 2023, and the development of the Group's energy storage business continued to improve in the reporting period, and it has established a well-established sales network and a favorable brand image in the existing market. The Group's industrial and commercial energy storage systems made outstanding performance in terms of safety, durability, economy and convenience, and have made qualitative progress in modularized structure safety. By design optimization, some products were certified as IP67 or IP56. During the reporting period, the Group's international energy storage business recorded revenue of approximately RMB 35.3 million.

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2024, the Group's revenue was approximately RMB54.5 million (2023: approximately RMB2.9 million), representing an increase of approximately 1,763.0%. Detailed analysis of the Group's revenue is as follows:

1. *Financial guarantee services*

Revenue from the Group's financial guarantee services was mainly generated from the service fees charged for our financial guarantee services. For the six months ended 30 June 2024, the Group's net revenue generated from financial guarantee services was approximately RMB14.1 million (2023: approximately RMB1.6 million), representing an increase of approximately 781.3%.

Considering insufficient credit demand from residents and enterprises and intensified credit risks due to the complex external economic environment, the Group continues to strictly control risks and selectively conducted the traditional guarantee business through prudent and steady operating principles. At the same time, the Group continued to optimize its business strategy. By optimizing its products and business structure, the net revenue generated from financial guarantee services increased significantly compared with the same period last year, which mainly due to the increase in demand for the guarantee services for the payment process of product trading for the reporting period.

2. *Non-financial guarantee services*

Revenue from the 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 six months ended 30 June 2024, the Group's revenue generated from the non-financial guarantee services decreased to approximately RMB0.04 million (2023: approximately RMB0.1 million).

The Group continued to monitor its low-risk non-financing guarantee services, which slowed down due to the changes in the market condition of the industry.

3. Financial consultancy services

Revenue from the Group's financial consultancy services was mainly generated from the service fees charged for providing customers with financial consultancy services by the Group. For the six months ended 30 June 2024, the Group's revenue generated from financial consultancy services was approximately RMB0.1 million (2023: approximately RMB0.01 million).

During the reporting period, the Group closely monitored market development and operated its financial consultancy business with caution.

4. Financial leasing services

Revenue from the Group's financial leasing services was mainly generated from the rental fees charged by the Group in its provision of financial leasing services to customers. For the six months ended 30 June 2024, revenue from the Group's financial leasing was approximately RMB0.6 million (2023: Nil).

During the reporting period, the Group promptly adjusted its operation strategy and actively explored business growth points based on the policy guidance to the financial leasing industry and market development trends. Professional, efficient and convenient financial leasing products and solutions have been developed and made available to our customers.

5. Revenue from Sales of Market Hogs

For the six months ended 30 June 2024, the Group's revenue from sales of market hogs was approximately RMB4.4 million (2023: approximately RMB1.2 million).

| | For the six months ended 30 June | |
|--------------------------|---|-----------------------|
| | 2024 | 2023 |
| | RMB'000 | RMB'000 |
| Sales of market hogs | 4,362 | 1,151 |
| Cost of market hogs sold | (4,778) | (5,759) |
| Gross loss | <u>(416)</u> | <u>(4,608)</u> |

The Group' hog farm has completed biosafety assessment and facility upgrading and renovation at the end of 2023 and resumed production smoothly. During the reporting period, the revenue and the volume of market hogs rebounded compared with the same period last year. The Group sold hogs concentrated in April to May 2024. Although the supply and demand layout of domestic hog market gradually improved in the first half of 2024, hog prices fluctuated at a lower price level before May Day Holiday. As breeding costs remained high during the report period due to declining survival rates and rising epidemic prevention costs and other factors, the hog selling businesses failed to achieve profitability.

6. *Revenue from Sales of Energy Storage System*

For the six months ended 30 June 2024, the Group's revenue from sales of energy storage system was approximately RMB35.3 million (2023: Nil).

Faced with the broad development prospects of the energy storage industry, the Group has accelerated its exploration of the international energy storage market and actively expanded high-quality customers overseas while steadily exploring the existing market. It also improved its competitiveness through optimized product design and won market reputation with safe, environmentally friendly, economical, durable, efficient and convenient energy storage products for industrial and commercial uses, showing strong development potential. In the first half of 2024, the energy storage system selling business of the Group continued to thrive. It has created a well-established sales network and built a good brand image in the existing market. During the reporting period, the energy storage system sales recorded outstanding performance.

Impairment and Provision Charged/(Written Back)

Impairment and provision charged/(written back) for the six months ended 30 June 2024 included the provision written back for guarantees issued and the impairment and provision charged/(written back) for receivables, where it is likely that the customers or other parties are in financial difficulties and recovery was considered to be remote. In the event that any impairment and provision was made in the previous years but subsequently recovered, impairment and provision previously made will be written back in the year in which the relevant amount is recovered.

The provisions the Group made for impairment or reversal over guarantee receivable, factoring receivable, finance lease receivable and deposit and other receivables for the six months ended 30 June 2024 are as follows:

| Types of receivable | Gross | For the | Accumulated | Net carrying |
|-------------------------------|----------------|----------------|----------------|----------------|
| | Balance | six months | Impairment | |
| | as at | ended | as at | amount |
| | 30 June 2024 | 30 June 2024 | 30 June 2024 | |
| | (Approximately | (reversal) | (Approximately | (Approximately |
| | RMB million) | (Approximately | RMB million) | RMB million) |
| | (A) | RMB million) | (B) | (A-B) |
| Guarantee receivable | 129.59 | 0.85 | 111.71 | 17.88 |
| Factoring receivable | 53.19 | 0.32 | 39.93 | 13.26 |
| Finance lease receivable | 180.79 | 0.76 | 149.05 | 31.74 |
| Deposit and other receivables | 124.49 | (3.37) | 82.25 | 42.24 |
| Total | <u>488.06</u> | <u>(1.44)</u> | <u>382.94</u> | <u>105.12</u> |

Impairment Loss on Property, Plant and Equipment

Considering the continued high epidemic prevention and control risk due to constant hog disease mutations and continued growth of piglet price from approximately RMB23.26 each kilogram at the end of 2023 to approximately RMB43.58 each kilogram in June 2024, the subsidiary Yangmianshan Company Limited (“**Yangmianshan Company**”) planned to adjust its operational strategy by exploring the possibility as a surrogate for the hog breeding enterprises to lower breeding risks and increase breeding survival rate of hogs by introducing its advanced and effective breeding methods and scientific techniques for disease prevention and control. Accordingly, the Group has reconsidered the recoverable amount of Yangmianshan Company’s non-current assets based on the updated profit forecast. According to the assessment results, the recoverable amount of Yangmianshan Company’s non-current assets is lower than their carrying amount. Therefore, provision for impairment loss of approximately RMB15.6 million for the relevant non-current assets was recognised for the period ended 30 June 2024.

Operating Expenses

For the six months ended 30 June 2024, the Group's operating expenses (including research and development costs) was approximately RMB21.3 million (2023: RMB25.7 million), which decreased by approximately RMB4.4 million or 17.1% when compared with the corresponding period of the last year. The Group upheld the cost-efficient principle, the operating expenses was analyzed in details as follows:

| | For the six months ended 30 June | |
|---|----------------------------------|----------------|
| | 2024 | 2023 |
| | <i>RMB'000</i> | <i>RMB'000</i> |
| Salaries | 8,253 | 10,492 |
| Depreciation charges | 5,691 | 2,657 |
| Rentals | 46 | 98 |
| Intermediary consulting expenses | 3,402 | 1,905 |
| Office, travel and entertainment expenses | 772 | 3,144 |
| Exchange loss | 851 | 386 |
| Others | 2,259 | 7,037 |
| | <hr/> | <hr/> |
| Total | 21,274 | 25,719 |
| | <hr/> <hr/> | <hr/> <hr/> |

The decrease in salaries compared with the same period last year was mainly due to the salaries adjustment for some of the Group's employees due to development needs.

The increase in depreciation charges as compared with the corresponding period of last year was mainly due to the increase in depreciation charges recorded as operating expenses as a result of the change in production scale by the Group.

The increase in intermediary consulting expenses as compared with the corresponding period of last year was mainly due to increase in consulting expenses incurred from the business of sales of energy storage system conducted by GNW Capital Limited, a subsidiary of the Group.

The decrease in office, travel and entertainment expenses as compared with the corresponding period of last year was mainly due to the more strict cost control management applied by the Group during the reporting period.

The significant decrease in others compared with the same period last year was mainly due to culling hogs value decreased to approximately RMB0.6 million (2023: approximately RMB4.2 million) from Yangmianshan Company.

Loss before Taxation

Loss before taxation decreased by approximately RMB11.9 million, or 38.4%, from a loss of approximately RMB31.0 million for the six months ended 30 June 2023 to a loss of approximately RMB19.1 million for the six months ended 30 June 2024.

The financial results of the Group improved during the reporting period, and the decrease in loss before taxation was mainly due to the net effect of the following factors: (i) the Group has recorded business growth in guarantee services and outstanding sales performance of energy storage systems during the reporting period; (ii) operating expenses were lower than the same period last year; (iii) interest expenses decreased compared with the same period last year, mainly due to the decrease in the principal of convertible bonds during the reporting period; and (iv) more impairment losses were provided for equipment property, plant and equipment of the Yangmianshan Company due to the challenges in the industry environment.

Income Tax

For the six months ended 30 June 2024, the Group's income tax amounted to approximately RMB2.9 million, representing a decrease of approximately 25.6% from approximately RMB3.9 million in the corresponding period of 2023.

The income tax expense for both periods was mainly due to the reversal of the deferred income tax assets during both periods.

LIQUIDITY AND CAPITAL RESOURCES

Treasury Management and Investment Policy

In order to utilise the Group's financial resources for obtaining a better return for the shareholders effectively, the Group's general approach is to seek some alternative investment opportunities which could provide a better return with limited risk exposure.

Pledged Bank Deposits and Cash and Bank Deposits

As at 30 June 2024, the current pledged bank deposits amounted to approximately RMB53.0 million (as at 31 December 2023: approximately RMB72.7 million), representing a decrease of approximately RMB19.7 million as compared to the end of last year. Cash and bank deposits amounted to approximately RMB178.4 million (31 December 2023: approximately RMB134.1 million), representing an increase of approximately RMB44.3 million as compared to the end of last year.

The increase in cash and bank deposits was mainly due to the increase in pledged deposits as a result of the requirements for conducting business between the Group and its customers.

Interest Rate Risk and Foreign Exchange Risk

As at 30 June 2024, the Group's interest rate primarily related to interest-bearing bank deposits and pledged bank deposits.

The Group's businesses for the six months ended 30 June 2024 were principally conducted in RMB, while most of the Group's monetary assets and liabilities were 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 the Group's result. Although foreign currency exposure does not pose a significant risk on the Group, and currently the Group does not have hedging measures against such exchange risks, the Group will continue to take proactive measures and monitor closely the risk arising from such currency movement.

Gearing Ratio

The Group's gearing ratio (total liabilities divided by total equity) increased from approximately 120.8% as at 31 December 2023 to approximately 123.5% as at 30 June 2024, which was mainly due to the Group's loss resulting in a decrease in total equity during the reporting period.

PROSPECTS AND OUTLOOK

Macro Outlook

Looking forward to the second half of 2024, the global economy will maintain its moderate recovery process. However, trade protectionism, geopolitical conflicts, change in expectation of rate cut by the Federal Reserve, election cycles in Europe and America, and other complicated factors will bring many challenges to the global economy. China's economy will keep running stably, but the foundation for a better recovery still needs to be consolidated given the complicated external environment at present and insufficient effective domestic demand. China will adhere to the general working principle of making progress while maintaining stability, implement the new development philosophy in a complete, accurate and comprehensive manner, speed up the construction of a new development paradigm and focus on pushing forward high-quality development. More efforts will be put into inspiring the market vitality and internal driving force, consolidating and enhancing the good trend of economy recovery, to facilitate a healthy and sustainable development in economy.

In the second half of 2024, encountering the prolonged complicated external environment, the Group will uphold a prudent and stable operating principle, to achieve a sound development by steadily developing traditional business, promoting integrated services for the Greater Bay Area, adjusting and optimising integrated financial services for the supply chain and exploring new areas and new paths.

Steadily Developing Traditional Businesses

For guarantee business, the Group will continue to carry out business in a stable and prudent manner; pay close attention to the changes in national policies, industry trend and market demand and other aspects, flexibly adjust operational strategies and product structure to provide efficient and personalized financial services for customers; continue the deployment of fintech strategies, and seek more diversified ways of cooperation with financial institutions and technology companies, in a bid to explore new paths and enhance the Group's core competitiveness; take advantage of its experience accumulated for years in financial area to proactively explore new models for supply chain finance, thus seeking new results growth for the Group and achieving the sustainable development.

For financial leasing business, the Group will continue to explore opportunities to provide financial leasing business for enterprises settled in the park, with a view to taking advantage of the synergy effect to seek new business mode. The Group will continue to optimize the organisational structure and leverage the favourable policies to fully identify customers' demand while the risk is in control, thus supporting the inclusive finance development.

Adjusting and Optimising Hog Supply Chain Business

Looking forward to the second half of 2024, with the implementation of long-lasting supporting policies from the industry and change of seasonal consumption demand, the domestic hog market is expected to recover. However, as calculated according to the official information of the stock of brood sows and hogs, the number of hogs slaughtered in the second half of the year may demonstrate a trend of gradually rising after a decline. As the supply of hogs rises, the price may fluctuate. The Group takes a cautiously optimistic attitude towards the prospect of the hog market in the second half of 2024. After fully considering the maximum benefits of the Company, the management of the Company is in contact with a quality hog breeding enterprise to establish short term cooperative relationships and is exploring the possibility as a surrogate for the hog breeding enterprises to lower breeding risks and increase breeding survival rate of hogs by introducing its advanced and effective breeding methods and scientific techniques for disease prevention and control. Before the implementation of the cooperative breeding mode, the Group will still carry out production in an orderly manner according to the original flexible batch breeding plan.

Initiating a New Chapter in the International Energy Storage Supply Chain Business

In recent years, as the global energy transition accelerates, countries around the world successively introduced many supporting policies to promote the development of energy storage industry, creating an excellent policy condition for energy storage industry's large-scale commercial application. However, with gradual expansion of industry scale, market competition is becoming more and more fierce, and the overall growth rate of industry decreases.

Looking forward to the second half of 2024, demand in overseas market of energy storage industry demonstrates a climbing trend, while domestic enterprises experience both opportunities and challenges as affected by the international trade barriers and have successively strengthened capacity layout in overseas markets. To cope with the challenges brought from international trade environment, by maintaining the existing EPC mode (meaning the Engineering, Procurement, and Construction mode), the Group will proactively expand the local quality supplier resources in South Africa, gradually increase the proportion of suppliers who are engaged in local assembly and production in South Africa, and enhance its ability to resist risks by optimising risk management, enhance the flexibility of supply chain, etc. Moreover, the Group will speed up its deployment in the energy storage market in Australia and Europe while steadily promoting the existing market development.

OTHER INFORMATION

Dividends

The Board has resolved not to declare an interim dividend by the Company for the six months ended 30 June 2024.

Corporate Governance

Save as disclosed below, the Company has adopted and complied with the code provisions in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the six months ended 30 June 2024.

The Company will continue to review and enhance its corporate governance practices to ensure compliance with the code provisions in Part 2 of Appendix C1 to the Listing Rules.

Model Code of Securities Transactions by Directors

The Company has adopted Model Code as set out in Appendix C3 to the Listing Rules as a code of conduct of the Company regarding the Directors’ transactions of the listed securities of the Company.

In response to the specific enquiry made by the Company, all the Directors confirmed that they have fully complied with the required standard set out in the Model Code and there are no non-compliance with the required standard set out in the Model Code for the six months ended 30 June 2024.

Audit Committee

The audit committee of the Company (the “**Audit Committee**”) has been established since 18 October 2013 and has formulated its written terms of reference in accordance with the prevailing provisions of the CG Code. The primary duties of the Audit Committee are to make recommendations to the Board on the appointment and removal of the external auditor, review the financial statements and material advice in respect of financial reporting and oversee the internal control procedures and risk management of the Company. The existing members of the Audit Committee include Mr. Tsang Hung Kei, Mr. Au Tien Chee Arthur and Mr. Zhou Xiaojiang, all of whom are independent non-executive Directors. Mr. Tsang Hung Kei is the chairman of the Audit Committee.

This interim announcement had been reviewed by the Audit Committee and the auditor of the Company, Forvis Mazars CPA limited.

Purchase, Sale or Redemption of Listed Securities

On 18 May 2020, our Company granted options to subscribe for an aggregate of 31,755,400 shares (the “**2020 Share Options**”) pursuant to the Post-IPO share option scheme adopted on 18 October 2013. During the six months ended 30 June 2024, none of the 2020 Share Options have been exercised or cancelled or lapsed. As at 30 June 2024, the 2020 Share Options to subscribe for 5,805,400 shares remained outstanding.

On 17 October 2023, our Company granted options to subscribe for an aggregate of 5,703,000 shares (the “**2023 Share Options**”) pursuant to the Post-IPO share option scheme adopted on 18 October 2013. During the six months ended 30 June 2024, none of the 2023 Share Options have been vested. As at 30 June 2024, the 2023 Share Options to subscribe for 5,703,000 shares remained outstanding.

On 28 June 2024, our Company adopted its latest share option scheme (the “**2024 Share Option Scheme**”) by an ordinary resolution at the extraordinary general meeting. During the six months ended 30 June 2024, no options had been granted or agreed to be granted under the 2024 Share Option Scheme.

Save as disclosed above, during the six months ended 30 June 2024, neither our Company nor any of its subsidiaries has purchased, sold or redeemed any of our Company’s listed securities.

Competition and Conflict of Interests

Except for the interests in the Group, none of the Directors, controlling shareholders or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the period under review.

Public Float

The Company has maintained the public float as required by the HK Listing Rules up to the date of this announcement.

Events After the Reporting Period

Expert Depot Limited (“**Expert Depot**”), the controlling shareholder of the Company, has agreed to provide a shareholder’s loan of HK\$16,000,000 (the “**Shareholder’s Loan**”) on 16 July 2024 to the Company as part of the re-financing of the Company’s remaining convertible bonds. The salient terms of the Shareholder’s Loan are unsecured, annual interest rate at 7.875% with monthly compounding for a period of three years from the date of disbursement.

On 26 July 2024, the Company has redeemed the outstanding Convertible Bonds at the principal amount of HK\$14,000,000 in whole at the redemption amount together with all accrued and unpaid interests and fees thereon pursuant to the terms of the Convertible Bonds Terms and Conditions and as amended by the Fourth Supplemental Amendments.

Following the full redemption, the Convertible Bonds were cancelled in whole and the Company is discharged from all the obligations under and in respect of the Convertible Bonds. The Subscription Agreement and the Bond Instrument have been terminated. The Company has no other convertible bond in issue after the full redemption.

Publication of the interim results announcement and Interim Report

This announcement has been published on the website of the Company (<http://www.chinasuccessfinance.com>) and the designated website of the Stock Exchange (www.hkexnews.hk). The interim report of the Company for the six months period ended 30 June 2024 containing all the information required by the Listing Rules will also be published on the website of the Company (<http://www.chinasuccessfinance.com>) and the designated website of the Stock Exchange (www.hkexnews.hk). Printed copies of the interim report will be available upon request, details of which was be set out in the one time notification letter dated 12 July 2024.

Appreciation

The Board would like to express sincere gratitude to the management of the Group and all the staff for their continued support and contributions. The Board also takes this opportunity to thank its loyal shareholders, investors, customers, business partners and associates, bankers and auditors for their continued faith in the prospects of the Group.

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

Hong Kong, 29 August 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.