

ASX RELEASE

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Quarterly Report

For the quarter ended 30 September 2016

HIGHLIGHTS

- Maiden dividend and dividend reinvestment plan declared
- Launch into Australian market slated before year-end
- Continued expansion of the network of branches with new branches opening
- Two new guarantee services lines recently launched in China

Leading Chinese guarantee services provider **Ding Sheng Xin Finance Co. Ltd (ASX:DXF)** (“DXF” or the “**Company**”) is pleased to provide the following update on its activities during the three-month period ended 30 September 2016.

Maiden dividend declared and DRP

In September, the Company announced a maiden unfranked dividend of AUD 0.01 per share, with a record date of 30 November 2016 and payment date of 16 December 2016.

The dividend comes on the back of strong revenue growth over the past 18 months that resulted in net profit before tax of AUD 10.6 million for 2015 and AUD 9.9 million for the 1H2016.

A dividend reinvestment plan (DRP) is available for eligible shareholders to reinvest their dividends into shares in the Company, with details to be sent to shareholders shortly.

In a show of support, the Company's four largest shareholders including the two key executives in China (holding approximately 71.3% of the issued capital of the Company) have waived their right to a dividend and will not take the cash nor seek to participate in the DRP, requesting that the Company retain that capital for its growth initiatives.

Entry into Australian Market

In July 2016, DXF announced its plans to enter into the Australian market, providing its innovative 'inclusive finance' solutions to local residents and small and medium enterprises. These services will initially target the Australian-Chinese community whom often have difficulty accessing local finance for a variety of reasons including the non-recognition of assets located in China by local lenders. As the only ASX-listed company providing guarantee services in China, DXF is well positioned to recognise Chinese-located assets in order to provide security to lenders in Australia.

With the aim of launching its first Australian product before year-end, DXF entered into collaborative partnerships with Sydney-based financial institution, Honourplus Funds Management Pty Ltd ('Honourplus'), and financial education and training provider, FX Plus Trading Academy Pty Ltd ("FXPlus"). Of note, both partners have strong client and customer networks within the local Australian-Chinese communities, providing access to a key customer base.

The partnership represents the company's first expansion outside of China.

Australian roadshow

During September, the Company held investor presentations and briefings in Sydney and Melbourne. Hosted by executive directors Winton Willesee and Wenfeng Tang, these presentations were well attended and provided investors and shareholders the opportunity to engage directly with the Company's Board and management. Through the presentations and briefings, the Company was able to broaden market awareness of its business operations and growth initiatives amongst several institutional, sophisticated and retail investors.

Appendix 4C

As at 30 September 2016, the Group had a cash balance of A\$118 million as outlined in the accompanying Appendix 4C.

For more information:

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About Ding Sheng Xin Finance Co. Limited

Ding Sheng Xin Finance Co. Limited (ASX: DXF) is the ASX-listed parent company of the DXF Group. Through its wholly owned operating subsidiary, Ding Sheng Xin Financing Guarantee Co., Ltd (“**DSX**”), the Group provides financing and non-financing guarantee services to small and medium enterprises (SMEs) and individuals in the People’s Republic of China (“**PRC**”).

Financing guarantee services represent the Group’s core business and involves the guarantee of a borrower’s loan repayments to a bank. DSX has two flagship guarantee services which are the “Working Capital Guarantee” (branded as “Ze Wu Pang Dai” in the PRC) and the “Home Decoration Guarantee” (branded as “Gai Chao Huan Dai” in the PRC).

In addition, DSX also provides *non-financing guarantee services*, such as performance guarantees (the guarantee of a party’s obligations under a contract) and litigation guarantees (the guarantee of a party’s obligations to court during litigation).

Since the establishment of its business in 2005, DSX has grown to over 16 operating branches employing over 500 people across several provinces in the PRC. In aggregate, DSX has guaranteed more than RMB 8 billion (approximately A\$1.6 billion) for approximately 8,000 customers over that time.

The Group is committed to the concept of ‘inclusive finance’, believing that people and businesses from all sectors of society should have the opportunity to obtain finance. The Group takes immense pride in providing guarantee services which promote social and economic growth such as its “Working Capital Guarantee” for SMEs and its “Home Decoration Guarantee” tailored for individuals and families.

Following its successful listing on the ASX in March 2016, the Group is now focussed on the continued growth of its business through the expansion of its branch network throughout the PRC and Australia.