



First Credit Finance Group Limited  
第一信用金融集團有限公司

(Incorporated in the Cayman Islands with limited liability) Stock Code : 8215

# Third Quarterly Report 2013



## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Growth Enterprise Market (“GEM”) has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the Directors (the “Directors”) of First Credit Finance Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive and there are no other matters the omission of which would make any statement herein or this report misleading.*



The board of Directors (the “Board”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the three months and nine months ended 30 September 2013 together with the comparative unaudited figures for the corresponding period in 2012, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Three months ended 30 September		Nine months ended 30 September	
		2013 HK\$ (unaudited)	2012 HK\$ (unaudited)	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)
<b>Revenue</b>	3	<b>13,885,219</b>	13,884,970	<b>40,560,768</b>	37,874,170
Other income and gains	3	<b>1,229,092</b>	6,639,465	<b>4,785,163</b>	8,390,420
		<b>15,114,311</b>	20,524,435	<b>45,345,931</b>	46,264,590
Administrative expenses		<b>(4,887,874)</b>	(6,179,895)	<b>(14,610,626)</b>	(17,304,970)
Other operating expenses		<b>(6,052,163)</b>	(5,084,097)	<b>(11,926,789)</b>	(14,173,179)
Finance costs	4	<b>(476,016)</b>	(390,411)	<b>(1,093,288)</b>	(640,744)
<b>Profit before tax</b>	5	<b>3,698,258</b>	8,870,032	<b>17,715,228</b>	14,145,697
Income tax expense	6	<b>(469,276)</b>	(856,273)	<b>(2,463,003)</b>	(2,108,834)
<b>Profit for the period attributable to owners of the Company</b>		<b>3,228,982</b>	8,013,759	<b>15,252,225</b>	12,036,863

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (Continued)

	Note	Three months ended 30 September		Nine months ended 30 September	
		2013 HK\$ (unaudited)	2012 HK\$ (unaudited)	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)
<b>Other comprehensive income, net of tax</b>					
<i>Items that will be reclassified to profit or loss:</i>					
Fair value changes of available-for-sale investments		—	(764,780)	<b>6,000</b>	478,620
Cumulative losses reclassified to profit or loss on impairment of available-for-sale investments		—	607,500	—	675,000
Cumulative losses/(gains) reclassified to profit or loss on disposal of available-for-sale investments		<b>160,855</b>	—	<b>(176,555)</b>	—
		<b>160,855</b>	(157,280)	<b>(170,555)</b>	1,153,620
<b>Total comprehensive income for the period attributable to owners of the Company</b>					
		<b>3,389,837</b>	7,856,479	<b>15,081,670</b>	13,190,483
		<b>HK cents</b>	HK cents	<b>HK cents</b>	HK cents
<b>Earnings per share</b>					
Basic	8	<b>0.27</b>	0.80	<b>1.37</b>	1.20
Diluted	8	<b>N/A</b>	N/A	<b>N/A</b>	N/A



## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2013 have been prepared in accordance with accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the applicable disclosure requirements of the Hong Kong Companies Ordinance and the GEM Listing Rules. They have been prepared under the historical cost convention, except for investment properties and available-for-sale investments, which have been measured at fair value. These unaudited condensed consolidated results of the Group are presented in Hong Kong dollars (“HK\$”).

The principal accounting policies used in the preparation of these unaudited condensed results are consistent with those used in the Company’s annual financial statements for the year ended 31 December 2012 except for the adoption of certain new and revised HKFRSs issued by the HKICPA that are relevant to its operation and effective for its accounting year beginning on 1 January 2013. The adoption of these new and revised HKFRSs did not result in significant changes to the Group’s accounting policies, presentation of these unaudited condensed consolidated results and amounts reported for the current period and prior years.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

### 2. SEGMENT INFORMATION

During the nine months ended 30 September 2013 and 2012, the Group’s revenue is generated from the provision and arrangement of credit facilities in Hong Kong. Revenue represents interest income earned from loans offered to the Group’s customers. Information reported to the Group’s chief operating decision maker, for the purpose of resources allocation and assessment of the Group’s performance, is focused on the operating results of the Group as a whole as the Group’s resources are integrated and no discrete financial information is available. Accordingly, no segment analysis or information about the Group’s products and services is presented.

All of the Group’s revenue from external customers and assets was generated from and located in Hong Kong during the nine months ended 30 September 2013 and 2012.

### 3. REVENUE, OTHER INCOME AND GAINS

	Three months ended 30 September		Nine months ended 30 September	
	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)
<b>Revenue:</b>				
Interest income on loans	<b>13,885,219</b>	13,884,970	<b>40,560,768</b>	37,625,094
Interest income on impaired loans	—	—	—	249,076
	<b>13,885,219</b>	13,884,970	<b>40,560,768</b>	37,874,170
<b>Other income:</b>				
Other fee income	<b>61,476</b>	70,892	<b>195,019</b>	601,322
Bank interest income	<b>1</b>	1	<b>182</b>	910
Gross rental income	<b>278,168</b>	266,469	<b>825,341</b>	598,893
Dividend income	<b>93,059</b>	542,103	<b>260,733</b>	756,344
	<b>432,704</b>	879,465	<b>1,281,275</b>	1,957,469
<b>Gains:</b>				
Fair value gains on investment properties	—	5,760,000	<b>1,700,000</b>	6,432,951
Gain on disposal of available-for-sale investments (Note)	<b>796,388</b>	—	<b>1,803,888</b>	—
	<b>796,388</b>	5,760,000	<b>3,503,888</b>	6,432,951
<b>Other income and gains</b>	<b>1,229,092</b>	6,639,465	<b>4,785,163</b>	8,390,420
Total revenue, other income and gains	<b>15,114,311</b>	20,524,435	<b>45,345,931</b>	46,264,590

Note: During the nine months ended 30 September 2013, the Group divested all of its available-for-sale investments in China Minsheng Banking Corp., Ltd (Stock code: 01988) and HSBC Holdings plc (Stock code: 00005) for aggregate gross sale proceeds of approximately HK\$8.90 million and HK\$10.72 million (excluding transaction costs) respectively for general working capital use.



#### 4. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)
Finance lease charges	<b>3,750</b>	3,750	<b>11,250</b>	5,000
Interest on bank loans and overdrafts	<b>270,622</b>	185,017	<b>812,449</b>	394,648
Interest on other borrowings wholly repayable within five years	<b>201,644</b>	201,644	<b>269,589</b>	241,096
	<b>476,016</b>	390,411	<b>1,093,288</b>	640,744

## 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Three months ended 30 September		Nine months ended 30 September	
	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)
Depreciation	<b>382,435</b>	262,036	<b>1,156,862</b>	543,038
Amortisation of leasehold land under finance leases	<b>17,605</b>	17,620	<b>52,816</b>	49,059
Directors' emoluments				
Salaries, bonus and allowance	<b>1,206,000</b>	1,202,500	<b>3,621,189</b>	3,460,500
Bonus share expenses	—	1,500,000	—	4,500,000
Pension scheme contributions	<b>136,125</b>	136,125	<b>408,375</b>	391,425
	<b>1,342,125</b>	2,838,625	<b>4,029,564</b>	8,351,925
Employee benefits expense (excluding directors' emoluments)				
Salaries, bonus and allowance	<b>2,398,903</b>	2,169,911	<b>7,154,230</b>	6,112,964
Pension scheme contributions	<b>114,307</b>	158,200	<b>428,069</b>	439,043
	<b>2,513,210</b>	2,328,111	<b>7,582,299</b>	6,552,007
Impairment loss on available-for-sale investments	—	607,500	—	675,000
Gain on disposal of available-for-sale investments	<b>(796,388)</b>	—	<b>(1,803,888)</b>	—
Fair value gains on investment properties	—	(5,760,000)	<b>(1,700,000)</b>	(6,432,951)
Minimum lease rental payments in respect of land and buildings under an operating lease	<b>291,300</b>	366,100	<b>864,068</b>	999,700
Net charge for impairment allowance for loans receivable	<b>4,106,503</b>	1,865,648	<b>5,724,430</b>	5,876,471



## 6. INCOME TAX EXPENSE

	Three months ended 30 September		Nine months ended 30 September	
	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)
Current tax — Hong Kong				
Profits tax	<b>469,276</b>	856,273	<b>2,463,003</b>	2,186,104
Deferred tax	—	—	—	(77,270)
Income tax expense	<b>469,276</b>	856,273	<b>2,463,003</b>	2,108,834

Hong Kong Profits Tax has been provided at a rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the period.

## 7. DIVIDENDS

	Three months ended 30 September		Nine months ended 30 September	
	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)
Interim dividend in respect of 2013, approved and paid during the period, of HK\$0.003 (2012: Nil) per share	<b>3,600,000</b>	—	<b>3,600,000</b>	—

The Directors do not recommend further payment of any dividend to shareholders for the nine months ended 30 September 2013 (2012: Nil).



## 8. EARNINGS PER SHARE

### (a) Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company is based on the following:

	Three months ended 30 September		Nine months ended 30 September	
	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)	2013 HK\$ (unaudited)	2012 HK\$ (unaudited)
<b>Earnings</b>				
Profit attributable to owners of the Company	<b>3,228,982</b>	8,013,759	<b>15,252,225</b>	12,036,863
<b>Number of shares</b>				
Weighted average number of ordinary shares used in basic earnings per share calculation	<b>1,200,000,000</b>	1,000,000,000	<b>1,117,216,117</b>	1,000,000,000

### (b) Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary shares during the nine months ended 30 September 2013 and 2012.

## 9. MOVEMENT OF RESERVES

	(Unaudited)					
	Share capital	Share premium	Capital reserve	Available- for-sale revaluation reserve	Retained profits	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 January 2012	10,000,000	44,002,607	148,309,615	(4,609,164)	59,896,358	257,599,416
Total comprehensive income for the period	—	—	—	1,153,620	12,036,863	13,190,483
Bonus share expenses	—	4,500,000	—	—	—	4,500,000
Changes in equity for the period	—	4,500,000	—	1,153,620	12,036,863	17,690,483
At 30 September 2012	10,000,000	48,502,607	148,309,615	(3,455,544)	71,933,221	275,289,899
At 1 January 2013	<b>10,000,000</b>	<b>78,552,607</b>	<b>148,309,615</b>	<b>170,555</b>	<b>29,903,926</b>	<b>266,936,703</b>
Total comprehensive income for the period	—	—	—	<b>(170,555)</b>	<b>15,252,225</b>	<b>15,081,670</b>
Issue of shares	<b>2,000,000</b>	<b>16,000,000</b>	—	—	—	<b>18,000,000</b>
Share issue expenses	—	<b>(123,518)</b>	—	—	—	<b>(123,518)</b>
Interim dividend paid (Note 7)	—	—	<b>(3,600,000)</b>	—	—	<b>(3,600,000)</b>
Changes in equity for the period	<b>2,000,000</b>	<b>15,876,482</b>	<b>(3,600,000)</b>	<b>(170,555)</b>	<b>15,252,225</b>	<b>29,358,152</b>
At 30 September 2013	<b>12,000,000</b>	<b>94,429,089</b>	<b>144,709,615</b>	<b>—</b>	<b>45,156,151</b>	<b>296,294,855</b>



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW AND PROSPECTS

For the nine months ended 30 September 2013, the Group continued with its money lending business in providing secured and unsecured loans to customers comprising individuals, corporations and foreign domestic workers.

During the period, despite uncertainties in the economy and property market and fierce competition in the financing industry, our money lending business continued to generate satisfactory returns for the Company on the back of our consistent strategy to balance business growth with risk control. Profit for the period recorded an approximately 26.71% growth for the nine months ended 30 September 2013 as compared to the corresponding period last year.

Given the current market condition, the Directors had evaluated the Group's business objectives stated in the prospectus of the Company dated 30 November 2011 and considered that no modification of business objectives was required, save for those disclosed in this report and the Company's previous announcements and financial statements.

While driving our core business growth, a development plan regarding consumer loan financing business in Tianjin was initiated in 2012 in view of Mainland China's growth potential. Since then, the Company had continued with its efforts to maintain amicable and close communications with the Tianjin Municipal People's Government and relevant authorities. With the expectation that our Mainland China business will become one of our mainstream businesses in the future, the Board and the management team of the Company will continue to monitor and provide support to such plan.

Going forward, the Company will continue to expand its loan portfolio so as to accelerate steps to expand its market share by taking advantage of the flexibility of our business operations provided by our money lenders licence, in particular to respond to the recent austerity measures introduced by the regulatory authority. In the face of the moderate economy atmosphere and uncertain property market, the outlook for the banking and financing industry remains challenging. The Company will remain prudent in the direction of the business development and continue to safeguard its financial strength, risk management and costs control.

Looking ahead, the Board will continue to maximise the Group's performance and business opportunities through close review and assessment of the overall performance and financial position of the Group.



## FINANCIAL REVIEW

### *Revenue*

The Company's revenue is derived from interest received from provision of various types of loan products to our customers. For the nine months ended 30 September 2013, revenue rose to approximately HK\$40.56 million, representing an increase of approximately 7.09% over the revenue of approximately HK\$37.87 million recorded in the corresponding period in 2012. The increase in revenue was mainly attributable to the growth in average loan balance on the account of our effort in expanding loan portfolio, which amounted to approximately HK\$240.20 million for the nine months ended 30 September 2013 with a rise of approximately 14.27% from approximately HK\$210.21 million in the corresponding period in 2012.

Meanwhile, the average interest rate recorded a slight decline from approximately 24.02% for the nine months ended 30 September 2012 to approximately 22.51% for the corresponding period in 2013.

### *Net interest margin*

The Group recorded a relatively stable net interest margin of approximately 22.29% for the nine months ended 30 September 2013 (30 September 2012: approximately 23.87%).

### *Other income*

The Group's other income includes income from fees received incidental to its money lending business, bank interest income, rental income and dividend income from our available-for-sale investments. Other income (excluding the decline in fair value gains on investment properties and gain on disposal of available-for-sale investments) amounted to approximately HK\$1.28 million for the nine months ended 30 September 2013, approximately 34.54% lower than the approximately HK\$1.96 million recorded for the corresponding period in 2012.

### *Administrative expenses*

The Group's administrative expenses mainly comprise employment expenses and occupancy costs for our offices and branches. Employment expenses include directors' emoluments, employees' salaries and bonuses, mandatory and voluntary provident fund contributions, employees', directors' and officers' insurance, etc. Occupancy costs include rental expenses and management fees, government rent and rates and utilities. Administrative expenses also include repair and maintenance, general insurance expenses and depreciation charges, etc.



Without the impact of share-based payment to Mr. Sin Kwok Lam (“Mr. Sin”) of HK\$4.5 million for the nine months ended 30 September 2012, the administrative expenses for the nine months ended 30 September 2013 recorded a reduction of approximately 15.57% to approximately HK\$14.61 million as compared to approximately HK\$17.30 million for the corresponding period in 2012 despite an increase in expense resulting from the branch network expansion.

### *Other operating expenses*

The Group’s other operating expenses mainly comprise impairment allowance on loans receivable, advertising and promotion expenses, legal and professional fees and other general expenses.

In line with our continuous control on advertising and promotion expenses, coupled with the absence of impairment loss on available-for-sale investments of approximately HK\$0.68 million recognised for the nine months ended 30 September 2012, other operating expenses for the nine months ended 30 September 2013 amounted to approximately HK\$11.93 million, representing a decrease of approximately 15.85% when compared with approximately HK\$14.17 million in the corresponding period in 2012.

### *Finance costs*

The Group’s finance costs comprise interest payments for loans from independent third party lenders and banks and mortgage loans from banks for its buildings, investment properties and motor vehicles. The increase in finance costs from approximately HK\$0.64 million for the nine months ended 30 September 2012 to approximately HK\$1.09 million for the nine months ended 30 September 2013 was mainly due to the increase in bank loans for our buildings and investment properties and bank overdrafts.

### *Profit for the period*

As a result of the above, the Group recorded profit attributable to owners of the Company of approximately HK\$15.25 million for the nine months ended 30 September 2013, representing an approximately 26.71% increase as compared to approximately HK\$12.04 million for the nine months ended 30 September 2012.



## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2013, the interests of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO), or were required pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Interests in the Company:

Name of Director	Capacity	Long position in ordinary shares held	Number of underlying shares subject to the Pre-IPO Share Option Scheme	Approximate percentage of the Company's issued share capital
Mr. Sin	Interest of controlled corporations (Note)	230,880,000	—	19.24%

Note: Best Year Enterprises Limited and Enhance Pacific Limited are the registered and beneficial owners of these shares. Best Year Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Sin, is interested in 211,280,000 shares. By virtue of the provisions of Part XV of the SFO, Mr. Sin is deemed to be interested in all the shares in which Best Year Enterprises Limited is interested. Enhance Pacific Limited, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Sin, is interested in 19,600,000 shares. By virtue of the provisions of Part XV of the SFO, Mr. Sin is deemed to be interested in all the shares in which Enhance Pacific Limited is interested.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 September 2013, so far as it was known by or otherwise notified to any Directors or the chief executive of the Company, the particulars of the corporations or persons (other than the Directors or chief executive of the Company) which had 5% or more interests in the shares and the underlying shares as recorded in the register to be kept under Section 336 of the SFO were as follows:

Interests in the Company:

Name of substantial shareholder	Capacity	Long position in ordinary shares held	Approximate percentage of the Company's issued share capital
Best Year Enterprises Limited	Beneficial owner (Note 1)	211,280,000	17.61%
Convoy Collateral Limited	Beneficial owner (Note 2)	200,000,000	16.67%
Convoy Financial Group Limited	Interest of controlled corporations (Note 2)	200,000,000	16.67%
Convoy Financial Services Holdings Limited	Interest of controlled corporations (Note 2)	200,000,000	16.67%
Convoy Inc.	Interest of controlled corporations (Note 2)	200,000,000	16.67%
Perfect Team Group Limited	Interest of controlled corporations (Note 2)	200,000,000	16.67%
Easy Finance Management Limited	Beneficial owner (Note 3)	94,680,000	7.89%
Wong Ching Ping Alex	Interest of controlled corporation (Note 3)	94,680,000	7.89%
Gomes Maria Da Silva Rubi Angela	Interest of controlled corporation (Note 3)	94,680,000	7.89%

Note 1: Best Year Enterprises Limited is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Sin.

Note 2: Convoy Collateral Limited is a company incorporated in Hong Kong with limited liability and is wholly-owned by Convoy Financial Services Holdings Limited, which is in turn owned as to 75% by Convoy Financial Group Limited. Convoy Financial Group Limited is owned as to approximately 43.79% by Convoy Inc. and approximately 56.21% by Perfect Team Group Limited. By virtue of the SFO, Convoy Financial Services Holdings Limited, Convoy Financial Group Limited, Convoy Inc. and Perfect Team Group Limited are deemed to be interested in all the shares in which Convoy Collateral Limited is interested.





Note 3: Easy Finance Management Limited is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Wong Ching Ping Alex. By virtue of the provisions of Part XV of the SFO, Mr. Wong Ching Ping Alex is deemed to be interested in all the shares in which Easy Finance Management Limited is interested. Ms. Gomes Maria Da Silva Rubi Angela is the spouse of Mr. Wong Ching Ping Alex and is deemed under the SFO to be interested in all the shares in which Mr. Wong Ching Ping Alex is deemed or taken to be interested.

Save as disclosed above, the Directors are not aware of any other corporation or person (other than the Directors or chief executive of the Company) who, as at 30 September 2013, had any interests or short positions in the shares or underlying shares as recorded in the register required to be kept under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "Share Option Scheme") pursuant to the written resolution of the shareholders on 24 November 2011 for the purpose of rewarding the eligible participants for their contribution to the Group. Such scheme also enables the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. Eligible participants of the Share Option Scheme include (a) any full-time or part-time employee of the Company and/or any subsidiaries; (b) any Director (including executive, non-executive and independent non-executive Director) of the Company and/or any subsidiaries; and (c) any consultant or adviser (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any subsidiaries who, at the sole determination of the Board, have contributed or will contribute to the Company and/or any subsidiaries.

No share option had been granted under the Share Option Scheme during the nine months ended 30 September 2013.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2013.



## **CORPORATE GOVERNANCE**

The Company is committed to adopting a high standard of corporate governance practices and procedures throughout the Group. The Directors firmly believe that sound and reasonable corporate governance practices are essential for the steady growth of the Group and for safeguarding the shareholders' interests. To the best knowledge of the Board, throughout the nine months ended 30 September 2013, the Company has met the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules.

## **COMPETING INTERESTS**

As at 30 September 2013, Ms. Chan Lai Yee, a non-executive Director, is a senior management of a company where one of its subsidiaries is principally engaged in money lending business. Prior to April 2013, the spouse of Mr. Tai Kwok Leung Alexander, a non-executive Director who retired on 29 April 2013, wholly-owned a company which was engaged in money lending business.

The Directors confirm that save and except for the competing interests as disclosed above, none of the business or interest of the Directors, substantial shareholders and their respective associates had any material conflicts of interest, either directly or indirectly, with the business of the Group to which the Company or any of its subsidiaries was a party during the period under review.

## **INTEREST OF COMPLIANCE ADVISER**

As notified by Altus Capital Limited ("Altus"), the Company's compliance adviser, neither Altus nor any of its directors or employees or associates had any interest in the share capital of the Company or any member of the Group (including options or rights to subscribe for such securities) as at 30 September 2013.



## AUDIT COMMITTEE

The audit committee of the Company (the “Audit Committee”) comprises three existing independent non-executive Directors of the Company, namely, Mr. Lee Kin Fai, Mr. Li Kit Chee and Mr. Yu Wan Hei. The Group’s unaudited condensed consolidated results for the nine months ended 30 September 2013 have been reviewed by the Audit Committee. The Board is of opinion that the preparation of such financial information complied with the applicable accounting standards, the requirements under the GEM Listing Rules and any other applicable legal requirements, and that adequate disclosures have been made.

By order of the Board  
**First Credit Finance Group Limited**  
**Sin Kwok Lam**  
*Chairman*

Hong Kong, 5 November 2013

*As at the date of this report, the Board comprises Mr. Sin Kwok Lam (Chairman), Mr. Tsang Yan Kwong (Chief Executive Officer), Mr. Leung Wai Hung and Ms. Ho Siu Man as executive Directors; Ms. Chan Lai Yee as non-executive Director; and Mr. Lee Kin Fai, Mr. Li Kit Chee and Mr. Yu Wan Hei as independent non-executive Directors.*