



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

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

2017 THIRD QUARTERLY REPORT



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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. 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 (“**Directors**”) of First Credit Finance Group Limited (“**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (“**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 (“**Board**”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months and nine months ended 30 September 2017 together with the comparative unaudited figures for the corresponding period in 2016, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Three months ended 30 September		Nine months ended 30 September	
		2017 HK\$ (unaudited)	2016 HK\$ (unaudited)	2017 HK\$ (unaudited)	2016 HK\$ (unaudited)
Revenue	3	29,627,142	22,631,651	87,116,979	58,303,442
Other income	4	1,197,634	372,793	2,299,535	1,078,670
Other gains and losses	5	(946,132)	–	12,432,977	(1,598,911)
		29,878,644	23,004,444	101,849,491	57,783,201
Administrative expenses		(10,277,619)	(5,021,695)	(22,749,508)	(13,726,287)
Other operating expenses		(4,062,911)	(3,996,487)	(12,332,797)	(12,077,521)
Finance costs	6	(2,580,904)	(453,270)	(7,331,676)	(644,839)
Profit before tax	7	12,957,210	13,532,992	59,435,510	31,334,554
Income tax expense	8	(2,874,334)	(2,318,652)	(8,774,759)	(5,476,824)
Profit for the period		10,082,876	11,214,340	50,660,751	25,857,730
Other comprehensive income, net of tax					
<i>Items that may be reclassified to profit or loss:</i>					
– Fair value gain on available-for-sale financial assets		–	–	83,252	–
– Release of investment revaluation reserve upon completion of the step acquisition of Asia Wealth Financial Holdings Limited (“ Asia Wealth ”)		–	–	(83,252)	–
		–	–	–	–
Total comprehensive income for the period		10,082,876	11,214,340	50,660,751	25,857,730

	Note	Three months ended 30 September		Nine months ended 30 September	
		2017 HK\$ (unaudited)	2016 HK\$ (unaudited)	2017 HK\$ (unaudited)	2016 HK\$ (unaudited)
Profit and total comprehensive income attributable to:					
Owners of the Company		10,274,646	11,214,340	51,040,000	25,857,730
Non-controlling interests		(191,770)	–	(379,249)	–
		10,082,876	11,214,340	50,660,751	25,857,730
		HK cents	HK cents	HK cents	HK cents
Earnings per share					
Basic	10	0.28	0.31	1.41	1.01
Diluted	10	N/A	N/A	N/A	N/A

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2017

1. BASIS OF PREPARATION

These unaudited condensed consolidated results of the Group for the three months and nine months ended 30 September 2017 have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRSs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”), and the applicable disclosures required by the Hong Kong Companies Ordinance (Cap. 622) and the GEM Listing Rules.

These unaudited condensed consolidated results have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss, 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 and methods of computation used in the preparation of these unaudited condensed consolidated results are consistent with those used in the Group’s annual financial statements for the year ended 31 December 2016 except as stated in Note 2 below.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current period, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2017. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards; and Interpretations. The adoption of these new and revised HKFRSs did not have any significant effect on the unaudited condensed consolidated financial statements.

3. REVENUE

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$	HK\$	HK\$	HK\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest income charged on loan facilities	29,505,094	22,631,651	86,829,020	58,303,442
Commission income from securities brokerage	122,048	–	287,959	–
	29,627,142	22,631,651	87,116,979	58,303,442

4. OTHER INCOME

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$	HK\$	HK\$	HK\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Bank interest income	30,758	64	130,753	275
Dividend income	263,600	–	323,600	–
Gross rental income	–	372,626	210,218	1,077,984
Other fee income	8,901	103	16,691	411
Other interest income	894,366	–	1,558,025	–
Sundry income	9	–	60,248	–
	1,197,634	372,793	2,299,535	1,078,670

5. OTHER GAINS AND LOSSES

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$	HK\$	HK\$	HK\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Fair value losses on investment properties	–	–	–	(1,600,000)
Gain on disposal of a subsidiary	–	–	13,212,189	–
Gain on re-measurement of pre-existing interest in Asia Wealth to acquisition date fair value	–	–	83,252	–
(Loss)/gain on disposals of property, plant and equipment	(502,292)	–	(508,944)	1,089
Realised loss from financial assets at fair value through profit or loss	(474,430)	–	(184,430)	–
Fair value changes on financial assets at fair value through profit or loss, net	30,590	–	(169,090)	–
	(946,132)	–	12,432,977	(1,598,911)

6. FINANCE COSTS

	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$ (unaudited)	2016 HK\$ (unaudited)	2017 HK\$ (unaudited)	2016 HK\$ (unaudited)
Interest on bank loans	–	93,839	62,079	285,408
Interest on other borrowings wholly repayable within five years	2,421,919	–	6,327,399	–
Effective interest expense on loan notes wholly repayable within five years	158,985	359,431	942,198	359,431
	2,580,904	453,270	7,331,676	644,839

7. PROFIT BEFORE TAX

The Group's profit before tax is stated after charging/(crediting) the following:

	Three months ended 30 September		Nine months ended 30 September	
	2017 HK\$ (unaudited)	2016 HK\$ (unaudited)	2017 HK\$ (unaudited)	2016 HK\$ (unaudited)
Amortisation of leasehold land under finance leases	10,883	18,690	32,650	54,788
Depreciation	724,667	400,249	1,575,498	784,114
Directors' emoluments:				
Salaries, bonuses and allowance	2,014,261	962,324	4,258,744	2,945,659
Pension scheme contributions	130,277	96,488	355,352	289,463
	2,144,538	1,058,812	4,614,096	3,235,122
Employee benefits expense (excluding directors' emoluments):				
Salaries, bonuses and allowance	4,856,358	2,265,212	10,551,450	6,868,951
Pension scheme contributions	182,813	100,772	458,161	380,226
	5,039,171	2,365,984	11,009,611	7,249,177
Minimum lease rental payments in respect of land and buildings under an operating lease	1,665,050	221,175	3,970,782	739,375
Net charge for impairment allowance for loans receivable	501,195	1,888,585	3,225,510	4,893,478

8. INCOME TAX EXPENSE

	Three months ended		Nine months ended	
	30 September		30 September	
	2017	2016	2017	2016
	HK\$	HK\$	HK\$	HK\$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Current tax				
– Hong Kong Profits Tax	2,874,334	2,318,652	8,774,759	5,476,824

Hong Kong Profits Tax has been provided at a rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the nine months ended 30 September 2017 and 2016.

9. DIVIDENDS

The declaration of final dividend for the year ended 31 December 2016 of HK0.2 cents per ordinary share was approved by the shareholders at the annual general meeting of the Company held on 28 June 2017. The dividend payable of HK\$7,257,600 was settled on 28 July 2017.

The Directors did not recommend the payment of any interim dividend to shareholders for the nine months ended 30 September 2017 and 2016.

10. EARNINGS PER SHARE**(a) Basic earnings per share**

The calculation of basic earnings per share is based on the profit for the nine months and three months ended 30 September 2017 attributable to owners of the Company of HK\$51,040,000 and HK\$10,274,646 respectively (For the nine months and three months ended 30 September 2016: HK\$25,857,730 and HK\$11,214,340 respectively), and the weighted average number of ordinary shares of 3,628,800,000 (For the nine months and three months ended 30 September 2016: 2,564,418,598 and 3,628,800,000 respectively) in issue during the period.

(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 2017 and 2016.

11. MOVEMENT OF RESERVES

	Unaudited									
	Attributable to owners of the Company									
	Share capital	Share premium	Capital reserve	Contributed surplus	Property revaluation reserve	Amounts recognised in other comprehensive income and accumulated in equity relating to assets classified as held for sale	Retained profits	Proposed final dividend	Non-controlling interests	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 1 January 2016	6,048,000	7,590,768	141,829,615	220,718,070	5,203,775	-	94,775,610	-	-	476,165,838
Total comprehensive income for the period	-	-	-	-	-	-	25,857,730	-	-	25,857,730
Issue of shares on placing	1,209,600	9,313,920	-	-	-	-	-	-	-	10,523,520
Issue of shares under rights issue	65,318,400	349,453,440	-	-	-	-	-	-	-	414,771,840
Share issue expenses	-	(9,696,266)	-	-	-	-	-	-	-	(9,696,266)
Changes in equity for the period	66,528,000	349,071,094	-	-	-	-	25,857,730	-	-	441,456,824
At 30 September 2016	72,576,000	356,661,862	141,829,615	220,718,070	5,203,775	-	120,633,340	-	-	917,622,662
At 1 January 2017	72,576,000	356,661,862	141,829,615	213,460,470	-	5,203,775	128,422,102	7,257,600	-	925,411,424
Total comprehensive income for the period	-	-	-	-	-	-	51,040,000	-	(379,249)	50,660,751
Acquisition of a subsidiary	-	-	-	-	-	-	-	-	9,832,516	9,832,516
Disposal of a subsidiary	-	-	-	-	-	(5,203,775)	5,203,775	-	-	-
Dividend paid	-	-	-	-	-	-	-	(7,257,600)	-	(7,257,600)
Changes in equity for the period	-	-	-	-	-	(5,203,775)	56,243,775	(7,257,600)	9,453,267	53,235,667
At 30 September 2017	72,576,000	356,661,862	141,829,615	213,460,470	-	-	184,665,877	-	9,453,267	978,647,091

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECTS

For the nine months ended 30 September 2017 (“**Review Period**”), the Group continued with its money lending business in providing secured and unsecured loans to customers comprising individuals, corporations and foreign domestic workers and securities trading business in providing securities brokerage and investments in listed securities.

During the Review Period, the Group recorded a satisfactory growth in average loan balance of approximately 61.12% as compared to the corresponding period in the preceding year and achieved approximately HK\$982 million for the Review Period, details of which are set out in the section headed “Financial Review” below.

In view of the competitive money lending market in Hong Kong, the Group actively pursued other opportunities in other industries in order to broaden its source of revenue and diversify business risk with the aim to enhance its value for shareholders. In early October 2016, after considering the potential development of the securities related business, the Group initiated to invest in this business field through subscribing new shares in Asia Wealth Financial Holdings Limited (“**Asia Wealth**”), which represented approximately 9.09% of the then enlarged issued share capital of Asia Wealth. Subsequently on 1 April 2017, the Group further subscribed for additional shares in Asia Wealth, thereby increasing the shareholding of the Group in Asia Wealth to approximately 88.89% of the issued share capital of Asia Wealth as enlarged by the allotment and issue of the additional shares. On 24 October 2017, the Group acquired the remaining approximately 11.11% of the issued share capital of Asia Wealth, and Asia Wealth has then become a wholly-owned subsidiary of the Company. Through the share subscriptions and acquisition in Asia Wealth, the Group has acquired an indirect equity interest in Asia Wealth Securities Limited, a wholly-owned subsidiary of Asia Wealth, which holds the licence to carry on Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (“**SFO**”). Details of the share subscriptions and acquisition in Asia Wealth are disclosed in the announcements of the Company dated 5 October 2016, 8 November 2016 and 24 October 2017.

On 20 June 2017, in order to maintain sufficient fund for the development of the Group, the Company and Convoy Asset Management Limited (“**Convoy**”) entered into a placing agreement pursuant to which Convoy agreed to act as the placing agent of the Company and to procure, on a best endeavour basis during the placing period of one year commencing on the day immediately following the date of the placing agreement, placee(s) to subscribe for the 6% per annum notes (“**Notes**”) to be issued by the Company in an aggregate principal amount of up to HK\$100,000,000 maturing on the day immediately preceding the second anniversary of the date of issue of the Notes at the placing price which equals the principal amount of the Notes. The funds raised from the placing of the Notes are intended to be used as general working capital of the Group for its money lending business or any potential

investment opportunities. Details of the placing of the Notes are disclosed in the announcement of the Company dated 20 June 2017. The Company has not issued any Notes from then up to the date of this report.

The Company is proactively exploring further potential investment opportunities, including but not limited to investments in bonds, debt instruments, listed equity securities or project-based investments, subject to the prevailing market condition and taking into account the interest of the Company and its shareholders as a whole.

Looking ahead, the Group will maintain healthy development of different business segments to consolidate its business portfolio and diversify its source of income, with the ultimate aim to maximise value for shareholders. While leveraging its experience in money lending business, the Group would like to develop its business and to further enlarge its customer base in different territories including Mainland China and Macau in light of the keen competition in the ever-changing local market. Meanwhile, the Group will also closely monitor its capital base from time to time and will pursue corresponding solutions where necessary in order to maintain sufficient funding for different potential opportunities.

FINANCIAL REVIEW

Revenue

The Group's revenue is derived from interest received from the provision of various types of loan products as well as commission received from the provision of securities brokerage services to its customers.

For the Review Period, the revenue generated was approximately HK\$87.12 million, representing an increase of approximately 49.42% over the revenue of approximately HK\$58.30 million recorded in the corresponding period in 2016. The revenue for the Review Period comprised loan interest income amounting to approximately HK\$86.83 million (for the nine months ended 30 September 2016: approximately HK\$58.30 million) and commission income from securities brokerage service that amounted to approximately HK\$0.29 million (for the nine months ended 30 September 2016: not applicable).

The increase in revenue was mainly attributable to the growth in average loan balance in the money lending business on the account of the Group's effort in expanding its loan portfolio. In this respect, the average loan balance increased by approximately 61.12% to approximately HK\$982 million for the Review Period as compared to approximately HK\$609.47 million in the corresponding period in 2016.

Meanwhile, the average interest rate in the money lending business recorded a decrease from approximately 12.76% for the nine months ended 30 September 2016 to approximately 11.79% for the Review Period.

Net interest margin

The Group recorded a net interest margin of approximately 10.80% for the Review Period (for the nine months ended 30 September 2016: approximately 12.68%) for its money lending business. The decrease in net interest margin reflects the Group's pricing strategy under the low interest rate environment in the competitive money lending industry.

Other income

The Group's other income mainly comprises bank interest income derived from bank deposit, dividend income derived from investments in listed securities (i.e. financial assets at fair value through profit or loss), rental income and other interest income received from its money lending and securities related businesses. All of the rental income of the Group during the Review Period was generated from the investment properties held under the name of Techlink Investments Limited ("**Techlink**"), a subsidiary of the Company prior to the completion of its disposal on 20 February 2017. No rental income was generated since the completion of disposal of Techlink. Other interest income was mainly generated from the interest income received from the provision of securities brokerage service as well as the Group's participation in a facility agreement. Other income recorded an increase of approximately 113.18% from approximately HK\$1.08 million for the nine months ended 30 September 2016 to approximately HK\$2.30 million for the Review Period.

Other gains and losses

For the Review Period, the Group's other gains and losses recorded a gain of approximately HK\$12.43 million as compared to losses of approximately HK\$1.60 million for the corresponding period in 2016. The increase in other gains was mainly attributable to the facts that fair value losses on investment properties were recorded in 2016 and that a gain on the disposal of Techlink on 20 February 2017 was recognised in the profit or loss for the Review Period. Details of the disposal of Techlink are set out in the announcements of the Company dated 29 November 2016 and 2 December 2016.

Administrative expenses

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

The Group's administrative expenses for the Review Period recorded an increase of approximately 65.74% to approximately HK\$22.75 million as compared to approximately HK\$13.73 million for the corresponding period in 2016. The increase in administrative expenses was mainly due to increased lease rental payments, increased employment expenses arising from the securities related business and the increased depreciation resulting from the relocation of the head office of the Company.

Other operating expenses

The Group's other operating expenses comprise mainly impairment allowance for loans receivable, advertising and promotion expenses, legal and professional fees as well as other general expenses.

As compared to the amount of approximately HK\$12.08 million for the nine months ended 30 September 2016, other operating expenses remained stable at approximately HK\$12.33 million for the Review Period.

Finance costs

The Group's finance costs mainly comprise interest payments for loans from lenders which are third parties independent of the Company and its connected persons ("**Independent Third Party(ies)**"), loan notes, mortgage loans from banks with collaterals on its buildings and investment properties. The increase in finance costs from approximately HK\$0.64 million for the nine months ended 30 September 2016 to approximately HK\$7.33 million for the Review Period was mainly due to an increase in the interest payment for loan from an Independent Third Party lender during the Review Period as compared to that in the corresponding period in 2016.

Profit for the period

The profit attributable to owners of the Company increased by approximately 97.39% from approximately HK\$25.86 million for the nine months ended 30 September 2016 to approximately HK\$51.04 million for the Review Period. The increase was mainly attributable to an increase of approximately HK\$28.81 million in revenue and the gain on disposal of a subsidiary of approximately HK\$13.21 million for the Review Period.

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

As at 30 September 2017, the interests and short positions 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 SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

Interests in the Company

Long position

Name of Director	Capacity	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Sin Kwok Lam	Interest of controlled corporations (Note)	404,856,000	11.16%

Note: Best Year Enterprises Limited ("**Best Year**") and Enhance Pacific Limited ("**Enhance Pacific**") are the registered and beneficial owners of these shares. Best Year, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Sin Kwok Lam, is interested in 365,656,000 shares. By virtue of the provisions of Part XV of the SFO, Mr. Sin Kwok Lam is deemed to be interested in all the shares in which Best Year is interested. Enhance Pacific, a company incorporated in the British Virgin Islands with limited liability and wholly-owned by Mr. Sin Kwok Lam, is interested in 39,200,000 shares. By virtue of the provisions of Part XV of the SFO, Mr. Sin Kwok Lam is deemed to be interested in all the shares in which Enhance Pacific is interested.

Save as disclosed above, as at 30 September 2017, none of the Directors nor chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

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

As at 30 September 2017, the interests and short positions of the persons (other than the Directors or chief executive of the Company) in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long position

Name	Capacity	Number of ordinary shares held	Approximate percentage of the Company's issued share capital
Convoy Global Holdings Limited	Interest of controlled corporations (Note 1)	1,070,400,000	29.50%
Convoy (BVI) Limited	Interest of controlled corporations (Note 1)	1,070,400,000	29.50%
Convoy Collateral Limited	Beneficial owner (Note 1)	1,070,400,000	29.50%
Ng Kam Lung Volais Best Year	Beneficial owner (Note 2)	1,013,040,000 365,656,000	27.92% 10.08%

Note 1: These shares are held by Convoy Collateral Limited, which is a company incorporated in Hong Kong with limited liability. Convoy Collateral Limited is wholly-owned by Convoy (BVI) Limited, which is in turn wholly-owned by Convoy Global Holdings Limited (stock code: 01019), whose shares are listed on the Main Board of the Stock Exchange. By virtue of the SFO, Convoy (BVI) Limited and Convoy Global Holdings Limited are deemed to be interested in all the shares in which Convoy Collateral Limited is interested.

Note 2: Best Year is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Sin Kwok Lam.

Save as disclosed above, the Directors are not aware of any other person (other than the Directors or chief executive of the Company) who, as at 30 September 2017, had any interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted a share option scheme ("**Share Option Scheme**") on 24 November 2011 for the purpose of rewarding the eligible participants for their contribution to the Group. The Share Option 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 of its subsidiaries; (b) any director (including executive, non-executive and independent non-executive director) of the Company and/or any of its 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 of its subsidiaries who, at the sole determination of the Board, have contributed or will contribute to the Company and/or any of its subsidiaries.

The shareholders of the Company approved at the annual general meeting of the Company held on 28 June 2017 ("**2016 AGM**") the refreshment of the limit imposed under the rules of the Share Option Scheme on the total number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme ("**Scheme Mandate Limit**") so that the maximum number of shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Group shall be re-set at 10% of the shares of the Company in issue as at the date on which the shareholders' resolution for refreshing the Scheme Mandate Limit was passed.

No share option had been granted under the Share Option Scheme since its adoption on 24 November 2011.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the Review Period.

UPDATE ON DIRECTORS' BIOGRAPHICAL DETAILS

Dr. Fung Kam Man, one of the independent non-executive Directors, resigned as an independent non-executive director of DX.com Holdings Limited (stock code: 08086), whose shares are listed on GEM of the Stock Exchange, with effect from 2 November 2017.

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, save as mentioned below, the Company had complied with all the code provisions of the Corporate Governance Code ("CG Code") as set out in Appendix 15 to the GEM Listing Rules for the Review Period.

According to the code provision E.1.2 of the CG Code, the chairman of the board should attend the annual general meeting of the company. At the 2016 AGM of the Company, Mr. Sin Kwok Lam, the Chairman of the Board, was absent due to unexpected business engagement. Mr. Tsang Yan Kwong, the then executive Director and the Chief Executive Officer of the Company, chaired the 2016 AGM pursuant to the bye-laws of the Company and was available to answer questions raised at the 2016 AGM.

COMPETING INTERESTS

The Directors confirm that none of the Directors and their respective close associates had any business or interest which competes or may compete with the business of the Group or had any other conflicts of interest with the Group during the Review Period.

The Company did not have any controlling shareholder during the Review Period.

AUDIT COMMITTEE

As at the date of this report, the audit committee of the Company ("**Audit Committee**") comprises three existing independent non-executive Directors, namely, Dr. Fung Kam Man (as the chairman of the Audit Committee), Mr. Wang Zhiwei and Mr. Chan Tung Tak Alain. The Group's unaudited condensed consolidated results for the Review Period have been reviewed by the Audit Committee. The Board is of the opinion that the preparation of such financial information has 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.

For and on behalf of the Board
First Credit Finance Group Limited
Sin Kwok Lam
Chairman

Hong Kong, 7 November 2017