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China Fortune Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 290)

Website: <http://www.290.com.hk>

DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF LOAN

PROVISION OF LOAN FACILITY

On 29 December 2017 (after trading hours), the Lender, the Borrower and the Chargors entered into the Loan Agreement, pursuant to which the Lender has agreed to grant to the Borrower a loan in the principal amount of HK\$60,000,000 bearing an interest rate of 12% per annum for a period of 3 months from and excluding the Drawdown Date.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in relation to the Loan is more than 5% but less than 25%, the Loan constitutes a discloseable transaction of the Company pursuant to Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

THE LOAN AGREEMENT

The Board announces that on 29 December 2017, the Lender, the Borrower and the Chargors entered into the Loan Agreement, the material terms of which are set out as follows:

Date: 29 December 2017 (after trading hours)

- Parties:**
- (1) the Lender;
 - (2) the Borrower; and
 - (3) the Chargors.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Borrower, the Chargors, and their respective ultimate beneficial owners is a third party independent of the Company and its connected persons under the Listing Rules.

Principal amount: HK\$60,000,000

Interest: 12% per annum, payable monthly as set out in the repayment schedule of the Loan Agreement.

Drawdown date: 29 December 2017

Maturity date: 29 March 2018

Repayment: Unless otherwise specified, the Borrower shall repay in full the principal amount of the Loan, together with interest accrued and unpaid thereof on the Maturity Date of the Loan.

- Security:**
- (1) the Share Charge I;
 - (2) the Share Charge II;
 - (3) the CB Charge I; and
 - (4) the CB Charge II.

The Loan will be funded by internal resources of the Group.

The terms of the Loan Agreement were arrived at by the parties thereto after arm's length negotiations and are on normal commercial terms, with reference to the commercial practice and the amount of the Loan. The Board considers that the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE LENDER, THE COMPANY, THE GROUP, THE BORROWER AND THE CHARGORS

The Lender is a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company and is principally engaged in the money lending business as a holder of the Money Lenders License under the Money Lenders Ordinance (Cap 163 of the Laws of Hong Kong).

The Company is an investment holding company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange. The Group is principally engaged in the provision of brokerage and margin financing, proprietary securities trading, corporate finance, money lending and factoring and consultancy and insurance brokerage services.

The Borrower (Chargor I) is a company duly incorporated under the laws of the British Virgin Islands with limited liability and is principally engaged in carrying out equity investment and investment in securities.

The Chargor II is an individual and the ultimate beneficial owner of the Borrower.

The Chargor III is a company duly incorporated under the laws of Hong Kong with limited liability and is principally engaged in carrying out equity investment and investment in securities.

The Chargor IV is a company duly incorporated under the laws of the People's Republic of China with limited liability and is principally engaged in carrying out equity investment and investment in securities.

REASONS FOR AND THE BENEFITS OF PROVISION OF THE LOAN

The Lender is a wholly owned subsidiary of the Company and is a licensed money lender in Hong Kong under the Money Lenders Ordinance (Cap 163 of the Laws of Hong Kong). The Lender's principal activity is provision of money lending services. The provision of the Loan is a transaction carried out as part of the ordinary and usual course of business activities of the Lender and will provide interest income to the Lender. Having considered the financial background of the Borrower and the Chargors and the interest income to be received by the Group in respect of the Loan, the Board considers that the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as set out in Rule 14.07 of the Listing Rules in relation to the Loan is more than 5% but less than 25%, the Loan constitutes a discloseable transaction of the Company pursuant to Rule 14.06 of the Listing Rules and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Board”	the board of Directors
“Borrower”	China Jurong International Investment Holdings Limited
“CB Charge I”	the deed of charge agreed to be provided by the Chargor III in favour of the Lender over the Charged CB I to secure the Borrower’s liability and obligations under the Loan Agreement
“CB Charge II”	the deed of charge agreed to be provided by the Chargor IV in favour of the Lender over the Charged CB II to secure the Borrower’s liability and obligations under the Loan Agreement
“Charged CB I”	certain convertible bonds issued by the Listco and beneficially owned by the Chargor III
“Charged CB II”	certain convertible bonds issued by the Listco and beneficially owned by the Chargor IV
“Charged Shares I”	299,922,000 issued shares in the Listco and to be beneficially owned by the Borrower upon completion of the Loan Agreement
“Charged Shares II”	1 share in the share capital of the Borrower, representing all the issued share(s) of the Borrower
“Chargor I”	the Borrower, as the chargor under Share Charge I
“Chargor II”	the chargor under Share Charge II, who is an individual and the ultimate beneficial owner of the Borrower
“Chargor III”	the chargor under CB Charge I, which is a company duly incorporated under the laws of Hong Kong with limited liability
“Chargor IV”	the chargor under CB Charge II, which is a company duly incorporated under the laws of the People’s Republic of China with limited liability

“Chargors”	Chargor I, Chargor II, Chargor III and Chargor IV collectively
“Company”	China Fortune Financial Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“Drawdown Date”	29 December 2017
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lender”	Fortune Finance Limited, a wholly owned subsidiary of the Company
“Listco”	a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	the term loan in the principal amount of HK\$60,000,000 granted by the Lender to the Borrower pursuant to the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 29 December 2017 and entered into among the Lender, the Borrower and the Chargors in relation to the Loan
“Maturity Date”	29 March 2018
“Share Charge I”	the deed of charge agreed to be provided by the Chargor I in favour of the Lender over the Charged Shares I to secure the Borrower’s liability and obligations under the Loan Agreement

“Share Charge II”	the deed of charge agreed to be provided by the Chargor II in favour of the Lender over the Charged Shares II to secure the Borrower’s liability and obligations under the Loan Agreement
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	Percentage

By order of the Board of
China Fortune Financial Group Limited
XIE Zhichun
Chairman and Executive Director

Hong Kong, 29 December 2017

As at the date of this announcement, the Board consists of three executive Directors, namely Mr. XIE Zhichun (Chairman), Mr. HAN Hanting and Mr. LIU Yinan; three non-executive Directors, namely Mr. TANG Baoqi, Mr. WU Ling and Mr. HUA Yang; and four independent non-executive Directors, namely Mr. CHAN Kin Sang, Mr. NG Kay Kwok, Mr. CHIU Kung Chik and Mr. LI Gaofeng.