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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>*

### **ANNOUNCEMENT INSIDE INFORMATION IN RELATION TO A PROPOSED DISPOSAL**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board announces that on 3 January 2014, Gold Kingdom, a wholly-owned subsidiary of the Company, received the Offer Letter pursuant to which the Purchaser, conditionally offered to purchase the Sale Shares from Gold Kingdom for a cash consideration of HK\$70,700,000.

The Proposed Disposal (if materialised) may constitute a notifiable transaction of the Company under the Listing Rules.

**Shareholders and public investors are advised to exercise caution when dealing in the shares in the Company.**

#### **BACKGROUND**

China Runking is the holding company of Chongqing Liangjiang New Area Runtong Small Loan Business Limited\* 重慶市兩江新區潤通小額貸款有限公司 (“**Runtong**”), which in turn, is principally engaged in small loan business in Chongqing, the PRC.

As at the date of this announcement, China Runking is owned as to 60% by Jovial Lead, a wholly-owned subsidiary of Credit China, as to 25% by Gold Kingdom, as to 10% by Full Plus and as to 5% by Profounders.

#### **OFFER LETTER**

The Board announces that on 3 January 2014, Gold Kingdom, a wholly-owned subsidiary of the Company, received the Offer Letter pursuant to which the Purchaser, conditionally offered to purchase the Sale Shares from Gold Kingdom, representing the entire equity interest held by the Group in China Runking, for a cash consideration of HK\$70,700,000.

The Offer is open for acceptance by Gold Kingdom commencing from 3 January 2014 to 2 February 2014 (both dates inclusive). If the Offer is not accepted by Gold Kingdom at or before 5:00 p.m. on 2 February 2014, it shall lapse and cease to have any effect whatsoever.

In addition to the acceptance by Gold Kingdom of the Offer, the Proposed Disposal will be subject to the following conditions (the “**Conditions**”):

- (1) all necessary consents, licences and approvals required to be obtained on the part of Gold Kingdom in respect of the Proposed Disposal and the transactions contemplated under the Offer Letter having been obtained and remaining in full force and effect;
- (2) the passing by the independent shareholders of Credit China at an extraordinary general meeting of Credit China to be convened and held of an ordinary resolution to approve the grant of waivers of the right of first refusal and right of co-sale under the Shareholders’ Agreement in favour of Gold Kingdom, if necessary; and
- (3) the right of first refusal and the right of co-sale under the Shareholders’ Agreement having been waived by each of Jovial Lead, Full Plus and Profounders or having expired.

If the Conditions have not been satisfied at or before 4:00 p.m. on 28 February 2014 or such later date as agreed between the parties, the Offer shall lapse and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches. Upon acceptance of the Offer by Gold Kingdom and fulfilment of the Conditions in accordance with the terms of the Offer Letter, the Proposed Disposal shall complete within three Business Days after the fulfilment of the Conditions.

## **UNDERTAKINGS**

Under the Offer Letter, the Purchaser has undertaken to Gold Kingdom that upon completion of the Proposed Disposal, it shall execute a deed of indemnity to indemnify, the Company, being the holding company of Gold Kingdom, and keep the Company indemnified against any loss, claim, damage, cost, expense or liability incurred/suffered by the Company in relation to:

- (i) the counter-guarantee agreement entered into between Hanhua Guarantee Company Limited\* 瀚華擔保股份有限公司 and the Company dated 16 September 2013 in relation to the guarantee provided to Runtong;
- (ii) the counter-guarantee agreement entered into between Chongqing Liangjiang New Area Financing Guarantee Company Limited\* 重慶兩江新區融資擔保有限公司 and the Company dated 19 November 2013 in relation to the loan made available by Industrial Bank Co. Ltd.\* 興業銀行股份有限公司 to Runtong;
- (iii) the counter-guarantee agreement entered into between Chongqing Liangjiang New Area Financing Guarantee Company Limited\* 重慶兩江新區融資擔保有限公司 and the Company dated 19 November 2013 in relation to the loan made available by China Development Bank\* 國家開發銀行股份有限公司 to Runtong; and
- (iv) the deeds of cross-indemnity entered into between Credit China and the Company dated 16 September 2013 and 19 November 2013, respectively in relation to (i), (ii) and (iii) above.

For further details of the above loan and guarantee arrangements, please refer to the announcement of the Company dated 19 November 2013.

The Board will review the Offer and consider whether to accept the Offer. In the event that the Group shall proceed with the Proposed Disposal, it may constitute a notifiable transaction of the Company. The Company will make further announcement(s) as and when required under the Listing Rules.

**As the Proposed Disposal is subject to acceptance of the Offer by Gold Kingdom and fulfilment of the Conditions, the Proposed Disposal may or may not proceed. Shareholders and public investors are advised to exercise caution when dealing in the shares in the Company.**

## DEFINITIONS

“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are generally open for normal banking business throughout their normal business hours (excluding a Saturday, Sunday or public holiday)
“China Runking”	China Runking Financing Group Holdings Limited (formerly known as Media Eagle Limited), a company incorporated in Hong Kong with limited liability, which is owned as to 60% by Jovial Lead, 25% by Gold Kingdom, 10% by Full Plus and 5% by Profounders as at the date of this announcement
“Company”	China Fortune Financial Group Limited (stock code: 290), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange
“Credit China”	Credit China Holdings Limited (stock code: 8207), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Growth Enterprise Market of the Stock Exchange
“Directors”	the directors of the Company
“Full Plus”	Full Plus Group Limited, a company incorporated in the British Virgin Islands with limited liability, which to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, is (including its ultimate beneficial owners) a third party independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“Gold Kingdom”	Gold Kingdom Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jovial Lead”	Jovial Lead Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of Credit China

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Offer”	the offer regarding the Proposed Disposal under the Offer Letter
“Offer Letter”	an offer letter dated 3 January 2014 and issued by the Purchaser to Gold Kingdom in relation to the Proposed Disposal
“PRC”	the People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Profounders”	Profounders Project I Limited, a company incorporated in the British Virgin Islands with limited liability, which to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, is (including its ultimate beneficial owners) a third party independent of the Company and connected persons (as defined under the Listing Rules) of the Company
“Proposed Disposal”	the disposal of the Sale Shares from Gold Kingdom to the Purchaser
“Purchaser”	Richfield Asia Investment Limited, a company incorporated in Hong Kong and the entire issued share capital of which are legally and beneficially owned by Mr. Ting Pang Wan Raymond, a director of Credit China
“Sale Shares”	58,500,000 shares of HK\$1.00 each, being 25% of the entire issued share capital of China Runking as at the date of the Offer Letter which is legally and beneficially owned by Gold Kingdom
“Shareholders”	holders of the issued share capital in the Company
“Shareholders’ Agreement”	the shareholders’ agreement entered into among China Runking, Gold Kingdom, Jovial Lead, Full Plus and Profounders dated 22 August 2012, in relation to the management of China Runking and its relationship with each of its shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By Order of the Board of  
**China Fortune Financial Group Limited**  
**NG Cheuk Fan Keith**  
*Managing Director*

Hong Kong, 3 January 2014

*As at the date of this announcement, the Board consists of four executive Directors, namely Mr. Zhang Min (Chairman), Mr. Ng Cheuk Fan Keith (Managing Director), Mr. Hon Chun Yu and Mr. Xia Yingyan; two non-executive Directors, namely Mr. Wong Kam Fat Tony (Vice-chairman) and Mr. Wu Ling; and three independent non-executive Directors, namely Mr. Lam Ka Wai Graham, Mr. Ng Kay Kwok and Mr. Tam B Ray Billy.*

\* *for identification purposes only*