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(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 290)

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

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

The Board announces that on 16 March 2011 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower pursuant to which the Lender agreed to provide a loan of HK\$150,000,000 to the Borrower for a period of 6 months from the Funding Date at an interest rate of 12% per annum.

As the applicable percentage ratios as set out in the Listing Rules are more than 5% but less than 25%, the provision of the Loan by the Company constitutes a discloseable transaction on the part of the Company pursuant to Rules 13.13 and 14.06 of the Listing Rules and is subject to the disclosure requirements under Chapter 13 and Chapter 14 of the Listing Rules.

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THE LOAN AGREEMENT

Date : 16 March 2011 (after trading hours)

Parties : (1) China He Investment (Hong Kong) Company Limited, as the Borrower; and

(2) Fortune Case Limited, an indirect wholly-owned subsidiary of the Company, as the Lender

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Borrower and its ultimate beneficial owner(s) are third parties independent of the Company and its Connected Persons.

Principal terms of the Loan Agreement

Loan amount:	HK\$150,000,000
Interest rate:	Interest shall accrue on the loan amount at the rate of 12% per annum
Term of the loan:	Six-month period commencing from the Funding Date
Use of the loan:	The Borrower shall apply the loan solely towards the subscription of the Convertible Bonds
Repayment:	Early repayment by the Borrower is permitted. The Borrower shall at the expiry of the term of the loan, or, in the event of early repayment, repay all outstanding sums of the Loan in Hong Kong dollars plus all accrued interest.
Collateral:	The Borrower shall, within 3 days of drawdown of the Loan, provide collateral for the Loan by arranging, procuring and/or causing a legal charge to be created over the Convertible Bonds after the Convertible Bonds are subscribed by the Borrower in favour of the Lender

INFORMATION ON THE BORROWER

The Borrower, is a company incorporated in Hong Kong and a wholly-owned subsidiary of China Nuclear Construction Group Limited (中國核工業建設集團公司), a state-owned enterprise incorporated in the PRC. The Borrower is principally engaged in investment holding.

REASONS FOR THE FINANCIAL ASSISTANCE

The Group is principally engaged in the provision of brokerage services for securities, futures and insurance and margin financing.

The Directors consider that the provision of the Loan provides an opportunity for the Group to get a high rate of return for its surplus fund under the current interest environment. Assuming the Borrower repays the loan amount at the expiry of the term of the loan, the Group is expected to generate an interest income of approximately HK\$9 million for a period of six months pursuant to the Loan Agreement.

The terms of the Loan Agreement, including the loan amount and the interest rate are arrived at between the parties based on arm's length negotiation. The Company intends to finance the loan amount by internal Group resources. Taking into consideration of (i) the potential interest income of approximately HK\$9 million for a period of six months upon repayment at expiry of the term of the loan and (ii) the loan charge over the Convertible Bonds in favour of the Lender in the principal amount equivalent to the loan amount as collateral, the Directors consider that the terms of the Loan Agreement are fair and reasonable and are in the interests of the Company and the Company's shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios as set out in the Listing Rules are more than 5% but less than 25%, the provision of the Loan by the Company constitutes a discloseable transaction on the part of the Company pursuant to Rules 13.13 and 14.06 of the Listing Rules and is subject to the disclosure requirements under Chapter 13 and Chapter 14 of the Listing Rules.

DEFINITION

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

“Board”	the board of Directors
“Borrower”	China He Investment (Hong Kong) Limited (中核投資(香港)有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of China Nuclear Construction Group Limited (中國核工業建設集團公司), a state-owned enterprise incorporated in the PRC
“Company”	China Fortune Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Connected Person(s)”	has the meaning ascribed to it in the Listing Rules
“Convertible Bonds”	The zero coupon rate, unsecured, redeemable convertible bonds due 2013 in the principal amount of HK\$150,000,000 convertible into ordinary shares of HK\$0.10 each in the share capital of Tack Hsin Holdings Limited, at the initial conversion price of HK\$0.50 per conversion share as announced by Tack Hsin Holdings Limited on 20 January 2010
“Director(s)”	the director(s) of the Company
“Funding Date”	on or before 21 March 2011, being the date the Lender has agreed to make available to the Borrower the Loan pursuant to the terms and conditions of the Loan Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lender”	Fortune Case Limited (福驥有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the loan in the principal amount of HK\$150,000,000 provided by the Lender to the Borrower pursuant to the Loan Agreement

“Loan Agreement”	the loan agreement dated 16 March 2011 entered into between the Lender and Borrower pursuant to which the Lender agreed to provide a loan in the principal amount of HK\$150,000,000 to the Borrower and subject to the terms and conditions therein
“PRC”	the People’s Republic of China
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Tack Hsin Holdings Limited”	a company incorporated in Bermuda with limited liability whose shares are listed and traded on the main board of the Stock Exchange
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board
China Fortune Group Limited
Ng Cheuk Fan, Keith
Managing Director

Hong Kong, 16 March 2011

As at the date of this announcement, the Board consists of three Executive Directors, namely, Mr. Ng Cheuk Fan, Keith (Managing Director), Mr. Yeung Kwok Leung and Mr. Hon Chun Yu; three Non-Executive Directors, namely, Mr. Wong Kam Fat, Tony (Chairman), Mr. Zhang Min and Mr. Xia Yingyan, and three Independent Non-Executive Directors, namely, Mr. Tam B Ray Billy, Mr. Ng Kay Kwok and Mr. Lam Ka Wai, Graham.