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If you have sold or transferred all your shares in China Fortune Financial Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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>

**PROPOSAL FOR GRANT OF
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of China Fortune Financial Group Limited to be held at 35th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on 15 August 2012 at 11:00 a.m. is set out on pages 13 to 16 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Whether or not you are able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch registrar and transfer office in Hong Kong, Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting or any adjournment thereof, should you so wish.

5 July 2012

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DEFINITIONS

In this circular, unless otherwise defined, terms used herein shall have the following meanings:

“AGM”	the annual general meeting of the Company to be held at 35th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on 15 August 2012 at 11:00 a.m.;
“Articles of Association”	the articles of association of the Company;
“Board”	the board of Directors;
“Company”	China Fortune Financial Group Limited, 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;
“Director(s)”	the director(s) of the Company;
“Extension Mandate”	a general and unconditional mandate to be granted to the Directors to the effect that the total number of Shares which may be allotted and issued under the Issue Mandate may be increased by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate;
“Group”	the Company and its subsidiaries;
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC;
“Issue Mandate”	the general and unconditional mandate to be granted to the Directors to exercise the powers of the Company to allot, issue and deal with new Shares up to 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant resolution;
“Latest Practicable Date”	29 June 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular;
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	The People’s Republic of China, and for the sole purpose of this circular excludes Hong Kong, Macau Special Administrative Region and Taiwan;

DEFINITIONS

“Repurchase Mandate”	a general and unconditional mandate to be granted to the Directors to exercise all the powers of the Company to repurchase Shares of the Company on the Stock Exchange which shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of the relevant resolution;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

LETTER FROM THE BOARD



China Fortune Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 290)

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

Executive Directors:

Mr. ZHANG Min (*Chairman*)
Mr. NG Cheuk Fan Keith (*Managing Director*)
Mr. HON Chun Yu
Mr. XIA Yingyan

Non-Executive Directors:

Mr. WONG Kam Fat Tony (*Vice-Chairman*)
Mr. WU Ling

Independent Non-Executive Directors:

Mr. LAM Ka Wai Graham
Mr. NG Kay Kwok
Mr. TAM B Ray Billy

Registered Office:

P.O. Box 309, Ugland House
Grand Cayman, KY1-1104
Cayman Islands

*Head Office and Principal Place of
Business in Hong Kong:*

35/F, Office Tower
Convention Plaza
Wanchai
Hong Kong

5 July 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR GRANT OF
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,
AND
RE-ELECTION OF RETIRING DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purposes of this circular are to provide you with information regarding the resolutions to be proposed at the AGM and to give you notice of the AGM. Resolutions to be proposed at the AGM include (i) the grant of the Issue Mandate; (ii) the grant of the Repurchase Mandate; (iii) the grant of the Extension Mandate; and (iv) the re-election of retiring Directors.

LETTER FROM THE BOARD

PROPOSED GRANT OF THE ISSUE MANDATE, THE REPURCHASE MANDATE AND THE EXTENSION MANDATE

At the last annual general meeting of the Company held on 12 August 2011, the Directors were granted general mandates to exercise the powers of the Company to (i) allot, issue and deal with Shares up to 20% of the aggregate nominal amount of the share capital of the Company in issue at that date and (ii) repurchase Shares representing not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue at that date.

Ordinary resolutions will be proposed at the AGM for the Shareholders to consider and, if thought fit, grant the Issue Mandate and the Repurchase Mandate as set out in Resolution no. 4 and 5 of the notice of the AGM respectively. In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the AGM to authorize the increase in the total number of new Shares which may be allotted and issued under the Issue Mandate by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate as set out in Resolution no. 6 of the notice of the AGM.

As at the Latest Practicable Date, the Company had an aggregate of 3,166,085,668 Shares in issue. Subject to the passing of the resolutions for the approval of the Issue Mandate and the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Issue Mandate to allot, issue and deal with a maximum of 633,217,133 Shares and under the Repurchase Mandate to repurchase a maximum of 316,608,566 Shares, respectively.

An explanatory statement in relation to the proposed Repurchase Mandate is set out in the Appendix I to this circular. This explanatory statement containing the particulars required by the Listing Rules to enable the Shareholders to make an informed decision on whether to vote for or against Resolution no. 5 of the notice of AGM to be proposed at the AGM.

RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 99 of the Articles of Association, Mr. WU Ling shall hold office only until the AGM and, being eligible, offer himself for re-election at the AGM.

In accordance with article 116 of the Articles of Association, Mr. WONG Kam Fat Tony, Mr. LAM Ka Wai Graham and Mr. TAM B Ray Billy shall retire from office by rotation and, being eligible, offer themselves for re-election at the AGM.

The biographical details of Mr. WU Ling, Mr. WONG Kam Fat Tony, Mr. LAM Ka Wai Graham and Mr. TAM B Ray Billy are set out in Appendix II of this circular.

LETTER FROM THE BOARD

THE AGM

A notice convening the AGM to be held at 35th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on 15 August 2012 at 11:00 a.m. is set out on pages 13 to 16 of this circular. A copy of the 2012 annual report of the Company is despatched to the Shareholders together with this circular. Ordinary resolutions in respect of the re-election of retiring Directors, the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate will be proposed at the AGM.

A form of proxy for use at the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch registrar and transfer office in Hong Kong, Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible, and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude the Shareholders from attending and voting in person at the AGM or any adjournment thereof should you so wish.

In accordance with Rule 13.39(4) of the Listing Rules, all votes of shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the AGM will demand on poll for every resolution put to the vote at the AGM pursuant to article 80 of the Articles of Association. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

RECOMMENDATIONS

The Directors consider that the proposed ordinary resolutions as set out in the notice of AGM are in the best interests of the Company and the Shareholders as a whole, and accordingly, recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Your attention is drawn to the additional information set out in the appendices to this circular.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

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

This appendix contains the particulars that are required by the Listing Rules to be included in an explanatory statement to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM in relation to the Repurchase Mandate.

1. SHARE CAPITAL

As at the Latest Practicable Date, the number of Shares in issue was 3,166,085,668.

Subject to the passing of the relevant ordinary resolution to approve the Repurchase Mandate (as set out in Resolution no. 5 of notice of the AGM) and on the basis that no further Shares are issued or repurchased prior to the AGM, exercise in full of the Repurchase Mandate would result in the repurchase by the Company of a maximum of 316,608,566 Shares during the period as set out in Resolution no. 5 of notice of AGM, representing not more than 10% of the issued share capital of the Company as at the Latest Practicable Date.

2. REASONS FOR REPURCHASES

The Directors have no present intention to repurchase any Shares but consider that the Repurchase Mandate is in the best interests of the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Group and/or its earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders.

3. FUNDING OF REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

There might be an adverse impact on the working capital or gearing position of the Company (as compared with its financial position as disclosed in the audited consolidated accounts contained in the annual report for the year ended 31 March 2012 in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. The Directors, however, do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time be appropriate for the Company.

4. SHARE PRICES

(i) Share prices

The highest and lowest closing prices at which the Shares have been traded on the Stock Exchange in each of the twelve months preceding the Latest Practicable Date and up to the Latest Practicable Date were as follows:

	Per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
Year 2011		
June	0.3150	0.2480
July	0.2850	0.2440
August	0.2550	0.2040
September	0.2100	0.1430
October	0.1850	0.1260
November	0.2340	0.1480
December	0.1820	0.1400
Year 2012		
January	0.1600	0.1400
February	0.1520	0.1390
March	0.1480	0.1300
April	0.1380	0.1070
May	0.1210	0.0870
June (up to the Latest Practicable Date)	0.0960	0.0850

5. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate in the event that such mandate is approved by the Shareholders.

No connected persons of the Company (as defined in the Listing Rules) has notified the Company that he/she has a present intention to sell any Shares to the Company nor has he/she undertaken not to do so in the event that the Repurchase Mandate is approved by Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles of Association.

7. TAKEOVERS CODE CONSEQUENCE

If on exercise of its powers to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code) could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 of the Takeovers Code.

As at the Latest Practicable Date, the interests of substantial shareholders of the Company, as defined in the Listing Rules, were as follows:

Name of substantial Shareholder	Number of issued Shares held	Approximate percentage of the total issued Share capital of the Company
Jadehero Limited	800,000,000	25.27%
Mankind Investment Limited ("MIL")	500,000,000	15.79%

On the basis that no further Shares are issued or repurchase prior to the AGM and the respective shareholdings of the above-mentioned substantial shareholders remained unchanged, in the event that the Directors exercise in full the power to repurchase Shares of the Company under the Repurchase Mandate, if so approved, in accordance with the terms of resolution no. 5 as set out in the notice of AGM, the shareholdings of Jadehero Limited and MIL would be increased to approximately 28.08% and 17.55% of the issued share capital of the Company respectively. The Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any repurchase to be made under the Repurchase Mandate. In the event that the Repurchase Mandate is implemented in full, the number of Shares held by the public would not fall below 25% of the issued Share capital of the Company.

8. SHARE PURCHASE MADE BY THE COMPANY

The Company has not purchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

NON-EXECUTIVE DIRECTORS

Mr. WU Ling

Mr. WU Ling, aged 58, was appointed as a non-executive Director on 16 December 2011. He holds a Bachelor of degree in Economics from Zhongnan University of Economics and Law. Mr. Wu is a senior economist and has over 20 years of experience in the PRC in the area of banking and financial services related business. Mr. Wu is currently an executive director and vice chairman of Well Kent International Investment Company Limited ("**Well Kent**"), a company incorporated in Hong Kong.

According to the register required to be kept by the Company under section 336 of the SFO, MIL, a company incorporated in the British Virgin Islands, is interested in 500,000,000 Shares of the Company and is wholly-owned by China Cinda (HK) Asset Management Company Limited ("**China Cinda (HK)**"), a company incorporated in Hong Kong. China Cinda (HK) is in turn wholly-owned by Well Kent. Well Kent is in turn wholly-owned by China Cinda Assets Management Company Limited ("**China Cinda**"), a company established in the PRC. As such each of China Cinda (HK), Well Kent and China Cinda is deemed to be interested in the aforesaid Shares of the Company held by MIL.

Save as disclosed above, Mr. Wu does not hold any other position in the Company or any of its subsidiaries and has not held any directorships in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Wu does not have any relationship with any Director, senior management or substantial or controlling Shareholder of the Company (as defined under the Listing Rules), and does not hold any interest in the Shares of the Company within the meaning of Part XV of the SFO.

Mr. Wu has entered into a letter of appointment with the Company for a term of one year with effect from 16 December 2011 subject to retirement by rotation and re-election in accordance with the Articles of Association. He is entitled to a director fee of HK\$30,000 per month which was determined with reference to his duties, academic background, working experience and responsibilities in the Company as well as the prevailing market conditions.

Save as disclosed above, there is no other matter that need to be brought to the attention of the Shareholders and there is no information required to be disclosed pursuant to rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in respect of the Mr. Wu who stand for re-election at the AGM.

Mr. WONG Kam Fat Tony

Mr. WONG Kam Fat Tony, aged 49, was appointed as Chairman and non-executive Director on 11 September 2009. He resigned as the Chairman of the Company and was appointed as Vice-chairman of the Company in April 2011. Mr. Wong is the vice-chairman of the board of directors as well as the chairman of human resources and administration committee of Sik Sik Yuen. He is also the supervisor of Ho Yu College and Primary School. He has profound management experience in working with charities and in the education industry as well as possessing over 16 years of management experience in the printing industry. He is a director of Hip Lik Design and Printing Company Limited, which is principally engaged in the printing business.

Mr. Wong was an executive director of China Public Procurement Limited (“**CPPL**”), a company listed on the main board of the Stock Exchange, since July 2007 and redesignated as non-executive director of CPPL in Nov 2007. Mr. Wong resigned as non-executive director of CPPL in September 2009. Save as disclosed above, Mr. Wong does not hold any other position in the Company or any of its subsidiaries and has not held any directorships in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

Mr. Wong has deemed interests in Shares and underlying Shares of the Company that are held by Jadehero Limited (“**Jadehero**”), a substantial Shareholder of the Company. As at the Latest Practicable Date, Jadehero holds (i) 800,000,000 Shares of the Company; and (ii) option entitling Jadehero to subscribe for convertible bonds of the Company in the maximum principal sum of HK\$128 million with an initial conversion price of HK\$0.16 per conversion share. Jadehero is owned as to 20% by Marvel Steed Limited and 80% by Southlead Limited. Mr. Wong is the sole beneficial owner of the entire equity interest in Marvel Steed Limited and Mr. XIA Yingyan, an executive Director of the Company, is the sole beneficial owner of the entire equity interest in Southlead Limited.

As at the Latest Practicable Date, Mr. Wong does not have any interests in any Shares or underlying Shares of the Company within the meaning of Part XV of the SFO. He does not have any other relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

Mr. Wong has entered into a letter of appointment with the Company for a term of one year commencing from 11 September 2009 which may be terminable by either party by giving one (1) month notice to other party and is subject to the removal and rotation provisions in the Articles of Association. He is entitled to a director fee of HK\$30,000 per month which was determined with reference to his duties, academic background, working experience and responsibilities in the Company as well as the prevailing market conditions.

Save as disclosed above, there is no other matter that need to be brought to the attention of the Shareholders and there is no information required to be disclosed pursuant to rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in respect of Mr. Wong who stand for re-election at the AGM.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. LAM Ka Wai Graham

Mr. LAM Ka Wai Graham, aged 44, was appointed as an independent non-executive Director of the Company in September 2007. He is the Chairman of the remuneration committee, and a Member of the audit committee and nomination committee of the Company. Mr. Lam graduated from the University of Southampton, England with a Bachelor of Science degree in Accounting and Statistics. He is a member of Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. Mr. Lam is currently the Managing Director and Head of Corporate Finance of an investment bank and has around 18 years of experience in investment banking as well as around 4 years of experience in accounting and auditing. He is also the independent non-executive director of Cheuk Nang (Holdings) Limited, Pearl Oriental Oil Limited, King Stone Energy Group Limited and Nan Nan Resources Enterprise Limited, companies listed on the main board of the Stock Exchange and Trasy Gold Ex Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (the “GEM”). In addition, Mr. Lam was the independent non-executive director of Value Convergence Holdings Limited from 4 January 2010 to 24 May 2012, Applied Development Holdings Limited from 1 October 2005 to 12 December 2011 and China Oriental Culture Group Limited from 29 January 2008 to 5 October 2010, companies listed on the main board of the Stock Exchange; and China Railway Logistics Limited from 22 December 2008 to 27 April 2012, Hao Wen Holdings Limited from 17 November 2010 to 16 May 2011 and Finet Group Limited from 5 August 2009 to 24 January 2011, companies listed on the GEM.

Save as disclosed above, Mr. Lam does not hold any other position in the Company or any of its subsidiaries and has not held any directorships in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Lam does not have any interests in any Shares or underlying Shares of the Company within the meaning of Part XV of the SFO. He does not have any other relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

Mr. Lam has entered into a letter of appointment with the Company for a term of one year commencing from 14 September 2007 subject to retirement by rotation and re-election in accordance with the Articles of Association. He is entitled to a director fee of HK\$18,000 per month which was determined with reference to his duties, academic background, working experience and responsibilities in the Company as well as the prevailing market conditions.

Save as disclosed above, there is no other matter that need to be brought to the attention of the Shareholders and there is no information required to be disclosed pursuant to rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in respect of the Mr. Lam who stand for re-election at the AGM.

Mr. TAM B Ray Billy

Mr. TAM B Ray Billy, aged 44, was appointed as an independent non-executive Director of the Company in December 2007. He is the Chairman of the nomination committee, and a Member of the audit committee and remuneration committee of the Company. Mr. Tam has been a practising solicitor in Hong Kong for over fifteen years. He is currently a partner of Messrs. Ho & Tam. Mr. Tam holding a Bachelor Degree of Laws from the University of London, Bachelor Degree of PRC Laws from Tsinghua University; and a Master Degree of Laws from The University of Hong Kong. He is an independent non-executive director of M Dream Inworld Limited, China Natural Investment Company Limited and China AU Group Holdings Limited, all of which are listed on the GEM. Mr. Tam is also a non-executive director of Larry Jewelry International Company Limited, a company listed on the GEM and a non-executive director of Milan Station Holdings Limited, a company listed on main board of the Stock Exchange.

Save as disclosed above, Mr. Tam does not hold any other position in the Company or any of its subsidiaries and has not held any directorships in the last three years in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas.

As at the Latest Practicable Date, Mr. Tam does not have any interests in any Shares or underlying Shares of the Company within the meaning of Part XV of the SFO. He does not have any other relationship with any Directors, senior management, substantial or controlling Shareholders of the Company.

Mr. Tam has entered into a letter of appointment with the Company for a term of one year commencing from 4 December 2007 subject to retirement by rotation and re-election in accordance with the Articles of Association. He is entitled to a director fee of HK\$18,000 per month which was determined with reference to his duties, academic background, working experience and responsibilities in the Company as well as the prevailing market conditions.

Save as disclosed above, there is no other matter that need to be brought to the attention of the Shareholders and there is no information required to be disclosed pursuant to rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules in respect of the Mr. Tam who stand for re-election at the AGM.

NOTICE OF ANNUAL GENERAL MEETING



China Fortune Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 290)

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

NOTICE IS HEREBY GIVEN that the annual general meeting of China Fortune Financial Group Limited (the “**Company**”) will be held at 35th Floor, Office Tower, Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong on 15 August 2012 at 11:00 a.m. for the following purposes:

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and the auditor of the Company for the year ended 31 March 2012.
2.
 - (a) To re-elect Mr. WU Ling as non-executive Director;
 - (b) To re-elect Mr. WONG Kam Fat Tony as non-executive Director;
 - (c) To re-elect Mr. LAM Ka Wai Graham as an independent non-executive Director;
 - (d) To re-elect Mr. TAM B Ray Billy as an independent non-executive Director;
 - (e) To authorise the board of directors (the “**Board**”) to fix the Directors’ remuneration; and
 - (f) To grant power to the Board to appoint additional Director(s).
3. To re-appoint SHINEWING (HK) CPA Limited as auditor of the Company and to authorise the Board to fix their remuneration.

To consider, as special business and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

NOTICE OF ANNUAL GENERAL MEETING

4. **“THAT:**

- (a) subject to paragraph (c) of this Resolution, and pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the **“Listing Rules”**), the exercise by the Directors during the Relevant Period (as defined hereinafter) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.1 each in the capital of the Company (the **“Shares”**) and to make or grant offers, agreements and options (including warrants, bonds, notes, debentures and other securities which carry rights to subscribe for or are convertible into shares) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period (as defined hereinafter) to make or grant offers, agreements and options (including warrants, bonds, notes, debentures and other securities which carry rights to subscribe for or are convertible into shares) which would or might require the exercise of such powers after the end of the Relevant Period (as defined hereinafter);
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as defined hereinafter); or (ii) the exercise of any options granted under any share option scheme adopted by the Company or (iii) an issue of Shares pursuant to any scrip dividends or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this Resolution and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:–

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting.

NOTICE OF ANNUAL GENERAL MEETING

“Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares, whose name appear on the Company’s register of members on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or otherwise howsoever applicable to the Company).”

5. “**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Directors during the Relevant Period (as defined hereinafter) of all powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (“**SFC**”) and the Stock Exchange for such purpose, subject to and in accordance with all applicable laws and regulations, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this Resolution and the authority granted pursuant to paragraph (a) of this Resolution shall be limited accordingly; and
- (c) for the purposes of this Resolution, “Relevant Period” means the period from the date of the passing of this Resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company, or any other applicable law to be held; and
 - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

6. “**THAT** conditional upon the passing of the resolutions set out as Resolutions no. 4 and 5 in the notice convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and deal with Shares pursuant to Resolution no. 4 set out in the notice convening this meeting be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the Shares in the capital of the Company repurchased by the Company under the authority granted pursuant to resolution no. 5 set out in the notice convening this meeting, provided that such an extended amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution.”

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

Hong Kong, 5 July 2012

Notes:

- (1) A shareholder entitled to attend and vote at this meeting may appoint one or more than one proxy to attend and to vote in his stead. A proxy need not be a shareholder of the Company.
- (2) Where there are joint registered holders of any Share, any one of such joint holders may vote at the meeting, either personally or by proxy, in respect of such Share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
- (3) In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof must be delivered to the Company's branch registrar and transfer office Union Registrars Limited at 18/F, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof (as the case may be).
- (4) All voting by the members at the Meeting shall be conducted by way of poll.

As at the date of this notice, 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.