China Fortune Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 290)

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

(1) APPOINTMENT OF EXECUTIVE DIRECTOR, CHAIRMAN OF THE BOARD AND MEMBER OF REMUNERATION COMMITTEE; AND (2) RESIGNATION OF EXECUTIVE DIRECTOR, CHAIRMAN OF THE BOARD AND MEMBER OF REMUNERATION COMMITTEE

(1) APPOINTMENT OF EXECUTIVE DIRECTOR, CHAIRMAN OF THE BOARD AND MEMBER OF REMUNERATION COMMITTEE

The board (the "**Board**") of directors (the "**Directors**") of China Fortune Financial Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") announces that Mr. XIE Zhichun ("**Mr. Xie**") has been appointed as an executive Director, the chairman of the Board and a member of the remuneration committee of the Company (the "**Remuneration Committee**") in place of Mr. WONG Kam Choi MH ("**Mr. Wong**") with effect from 6 January 2017.

Mr. Xie, aged 58, has extensive experience in banking, securities and investment fields. Mr. Xie is currently the vice chairman of the consultation committee of Shenzhen Qianhai Shekou Free Trade Zone and Qianhai Shenzhen Hong Kong Cooperation Zone. He is also a professor of China Center for Special Economic Zone Research at Shenzhen University and postgraduate supervisor of PBC School of Finance at Tsinghua University. Mr. Xie currently serves as a non-executive director of Elife Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") with stock code 223 and an independent non-executive director of each of China Taiping Insurance Holdings Company Limited, a company listed on the Stock Exchange with stock code 966 and China Minsheng Banking Corp., Ltd., a company listed on the Stock Exchange with stock code 1988.

Mr. Xie has held various key positions in certain banks, securities firms and insurance companies in the People's Republic of China and listed companies in Singapore, and has extensive experience in management of financial institutions. Mr. Xie acted as a deputy general manager of China Investment Corporation ("**CIC**")(中國投資有限責任公司) and an executive director and general manager of Central Huijin Investment Ltd. (中央滙金投資有限公司), a subsidiary of CIC which makes equity investment in key state-owned financial institutions in the PRC, from 2014 to 2015. From 2008 to 2014, Mr. Xie acted as an executive director and deputy general manager of China Everbright Group Limited (中國光大集團總公司) and the chairman of the board of directors of each of Sun Life Everbright Life Insurance Co., Ltd. (光大永明人壽保險有限公司) and Sun Life Everbright Asset Management Co., Ltd. (光大永明資產管理股份有限公司). From 2006 to 2008, he acted as the vice president and director of reorganisation and listing office of China Everbright Bank Company Limited. From 2001 to 2006, Mr. Xie acted as a director and chief executive officer of Everbright Securities Company Limited, an executive director of China Everbright Group, an executive director of China Everbright Limited, a company listed on the Stock Exchange with stock code 0165, a vice chairman (unattending) of China Enterprises Association (Singapore), a director of Shenyin & Wanguo Securities Co., Ltd., a director of Everbright Pramerica Fund Management Co., Ltd. and a vice chairman (unattending) of Securities Association of China.

From 1997 to 2001, he acted as an executive director and president of China Everbright Asia-Pacific Company Limited, a company listed on the Singapore Exchange Securities Trading Limited, a director of Shenyin & Wanguo Securities Co., Ltd., the chairman of the board of directors of China Everbright Asia-Pacific (New Zealand) Company, the chairman of the board of directors of China Everbright (South Africa) Company, a director of China Everbright Asia-Pacific Industrial Investment Fund Management Company (中國光大亞太工業投資基金管理公司) and a director of Thailand Sunflower Company (泰國向日葵公司). From 1992 to 1999, Mr. Xie was a director and vice president of Everbright Securities Company Limited, a director of China Everbright Financial Holding Company (Hong Kong) (中國光大金融控股公司 (香港)), a general manager of northern head office of Everbright Securities Company Limited, a deputy director of preparation team and deputy president of China Everbright Bank, Dalian Branch and the general manager of the international business department of China Everbright Bank, Heilongjiang Branch.

Mr. Xie graduated from Heilongjiang University in 1982 and received his bachelor's degree in philosophy. In 1993, he graduated from Harbin Institute of Technology and received his master's degree in economics. In 2004, Mr. Xie graduated from Nankai University and received his doctor of philosophy in economics.

Pursuant to the employment contract entered into between the Company and Mr. Xie, the term of appointment of Mr. Xie is 3 years. Mr. Xie will hold office only until the next annual general meeting of the Company and be eligible for re-election at such meeting. Thereafter, he shall retire by rotation and be eligible for re-election in accordance with the retirement by rotation and re-election requirements stipulated in the Articles of Association of the Company. Mr. Xie will be entitled to a remuneration of HK$8,000,000 per annum which is determined with reference to his experience and responsibilities in the Company, the prevailing market conditions and the terms of the remuneration policy of the Company.

Save as disclosed above, Mr. Xie does not hold any position in the Group 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 date of this announcement, Mr. Xie has no relationship with any directors, senior management or substantial or controlling shareholders of the Company (as defined under the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited). Save as the 5,094,350,000 underlying shares of the Company which may be issued upon the exercise of the conversion rights attaching to the convertible bonds in the principal amount of HK$305,661,000 (at the conversion price of HK$0.06 per conversion share) to be issued by the Company to Riverhead Capital (International) Management Co., Ltd. ("**Riverhead Capital**", a company which is owned as to 80% by Mr. Xie) pursuant to the subscription agreement entered into between the Company and Riverhead Capital on 22 November 2016, Mr. Xie did not have any interest in the shares or underlying shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong).

Save as disclosed above, there is no other information regarding to the appointment of Mr. Xie as an executive Director that needs to be brought to the attention of the shareholders of the Company or disclosed pursuant to Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

The Board would like to extend its warmest welcome to Mr. Xie for joining the Board.

(2) RESIGNATION OF EXECUTIVE DIRECTOR, CHAIRMAN OF THE BOARD AND MEMBER OF REMUNERATION COMMITTEE

The Board further announces that Mr. Wong resigned as an executive Director, the chairman of the Board and a member of the Remuneration Committee with effect from 6 January 2017 due to his other business commitment.

Mr. Wong confirmed that he has no disagreement with the Board and the Company and there is no other matter in relation to his resignation that needs to be brought to the attention of the shareholders of the Company or the Stock Exchange.

The Board would like to take this opportunity to express its sincere gratitude to Mr. Wong for his valuable contributions to the Company during his tenure of office.

By Order of the Board
China Fortune Financial Group Limited
FU Wan Sheung
Executive Director

Hong Kong, 6 January 2017

As at the date of this announcement, the Board consists of three executive Directors, namely Mr. XIE Zhichun (Chairman), Mr. HON Chun Yu and Ms. FU Wan Sheung; two non-executive Directors, namely Mr. TANG Baoqi and Mr. WU Ling; and two independent non-executive Directors, namely Mr. CHAN Kin Sang and Mr. NG Kay Kwok.