
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

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

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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>

(1) PROPOSED SHARE CONSOLIDATION; (2) CHANGE IN BOARD LOT SIZE; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the EGM of the Company to be held at 43rd Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong, on Friday, 16 October 2020, at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you intend to attend and vote in person at the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding the EGM 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 EGM or any adjournment thereof (as the case may be) should you so wish and in such event, the instrument appointing a proxy shall be deemed to be revoked.

PRECAUTIONARY MEASURES FOR THE EGM

Please refer to page 1 of this circular for measures being taken to try to prevent and control the spread of the coronavirus disease 2019 ("COVID-19"), including:

- compulsory temperature checks;
- health declarations;
- recommended wearing of surgical face masks; and
- no distribution of corporate gifts and no serving of refreshments.

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue. The Company encourages attendees to wear face masks and reminds Shareholders that they may appoint the Chairman of the meeting as their proxy to vote on the relevant resolution at the EGM as an alternative to attending the EGM in person.

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PRECAUTIONARY MEASURES FOR THE EGM

In view of the ongoing spread of COVID-19 pandemic and recent requirements for prevention and control of its spread, the Company will implement the following preventive measures at the EGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) compulsory body temperature checks will be conducted on every Shareholder, proxy and other attendees at the entrance of the EGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the EGM venue or be required to leave the EGM venue;
- (ii) all Shareholders, proxies and other attendees are required to complete and submit at the entrance of the EGM venue a declaration form confirming their names and contact details, and confirming that they have not travelled to, or to their best of knowledge had physical contact with any person who has recently travelled to, any pandemic affected countries or areas outside of Hong Kong (as per guidelines issued by the Hong Kong government at www.chp.gov.hk/en/features/102742.html) at any time in the preceding 14 days. Any person who does not comply with this requirement may be denied entry into the EGM venue or be required to leave the EGM venue;
- (iii) the Company encourages attendees to wear surgical face masks inside the EGM venue at all times, and to maintain a safe distance between seats; and
- (iv) no refreshments will be served, and there will be no corporate gifts.

To the extent permitted under law, the Company reserves the rights to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

The Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights in the Company. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the EGM as their proxy to vote on the relevant resolution at the EGM instead of attending the EGM in person.

The proxy form is attached to this circular for Shareholders who opt to receive physical circulars. Alternatively, the proxy form can be downloaded from the website of Hong Kong Exchanges and Clearing Limited, at www.hkexnews.hk and the website of the Company at www.290.com.hk respectively. If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the HKSCC), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the satisfaction of all the conditions of the Share Consolidation and is therefore for indicative purpose only. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

Event	Date and time
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Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM.	Friday, 9 October 2020, 4:00 p.m.
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Closure of register of members for the entitlement to attend and vote at the EGM.	Monday, 12 October 2020 to Friday, 16 October 2020 (both days inclusive)
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Latest date and time for lodging forms of proxy for the EGM (not less than 48 hours prior to time of the EGM).	Wednesday, 14 October 2020, 11:00 a.m.
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Date and time of the EGM	Friday, 16 October 2020, 11:00 a.m.
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Announcement of poll results of the EGM	Friday, 16 October 2020
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The following events are conditional on the fulfilment of the conditions for the implementation of the Share Consolidation and the Change in Board Lot Size:

Effective date of the Share Consolidation	Tuesday, 20 October 2020
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First date and time for free exchange of existing share certificates for new share certificates for Consolidated Shares	Tuesday, 20 October 2020, 9:00 a.m.
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Commencement of dealings in the Consolidated Shares	Tuesday, 20 October 2020, 9:00 a.m.
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EXPECTED TIMETABLE

Original counter for trading in the Existing Shares
in board lots of 2,000 Existing Shares (in the form
of existing share certificates) temporarily closes Tuesday, 20 October 2020,
9:00 a.m.

Temporary counter for trading in Consolidated Shares
in board lots of 200 Consolidated Shares (in the form
of existing share certificates) opens Tuesday, 20 October 2020,
9:00 a.m.

Original counter for trading in Consolidated Shares
in new board lots of 4,000 Consolidated Shares
(in the form of new share certificates) re-opens Wednesday, 4 November 2020,
9:00 a.m.

Designated broker starts to stand in the market
to provide matching services for the sale and
purchase of odd lots of Consolidated Shares Wednesday, 4 November 2020,
9:00 a.m.

Parallel trading in Consolidated Shares
(in the form of new and existing share
certificates) begins Wednesday, 4 November 2020,
9:00 a.m.

Designated broker ceases to stand in the market to
provide matching services for the sale and purchase
of odd lots of Consolidated Shares Tuesday, 24 November 2020,
4:10 p.m.

Temporary counter for trading in Consolidated Shares
in board lots of 200 Consolidated Shares (in the form
of existing share certificates) closes Tuesday, 24 November 2020,
4:10 p.m.

Parallel trading in Consolidated Shares (in the form
of new and existing certificates) ends Tuesday, 24 November 2020,
4:10 p.m.

Last date and time for free exchange of existing
certificates for new certificates for
Consolidated Shares Thursday, 26 November 2020,
4:00 p.m.

DEFINITIONS

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

“Announcement”	the announcement of the Company dated 8 September 2020 in relation to, among other things, the proposed Share Consolidation and Change in Board Lot Size
“Board”	the board of Directors
“Business Day(s)”	a day on which the Stock Exchange is open for the business of dealing in securities
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Existing Shares to 4,000 Consolidated Shares
“Company”	China Fortune Financial Group Limited (中國富強金融集團有限公司), 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 (stock code: 290)
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company immediately after the Share Consolidation becoming effective
“Convertible Bonds”	the convertible bonds issued by the Company with an aggregate outstanding principal amount of HK\$21,000,000 which are convertible into 350,000,000 Existing Shares at the prevailing conversion price of HK\$0.06 per Existing Share
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of, among others, considering and, if thought fit, approving the Share Consolidation
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective

DEFINITIONS

“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	23 September 2020, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be
“Shareholder(s)”	holder(s) of the issued Share(s)
“Share Consolidation”	the proposed share consolidation on the basis that every ten (10) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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. XIE Zhichun (*Chairman*)
Mr. ZHU Yi
Ms. SUN Qing

Registered Office:

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

Non-executive Directors:

Mr. HAN Hanting
Mr. CHEN Zhiwei
Mr. WU Ling

Head Office and Principal Place of

Business in Hong Kong:

43rd Floor, COSCO Tower
183 Queen's Road Central
Hong Kong

Independent non-executive Directors:

Mr. CHAN Kin Sang
Mr. CHIU Kung Chik
Mr. LI Gaofeng
Mr. LIU Xin

28 September 2020

To the Shareholders

Dear Sir or Madam

**(1) PROPOSED SHARE CONSOLIDATION;
(2) CHANGE IN BOARD LOT SIZE;
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING**

(1) INTRODUCTION

Reference is made to the Announcement in relation to, among others, the proposed Share Consolidation and Change in Board Lot Size.

The purpose of this circular is to provide you with, among other things, (i) further details of the proposed Share Consolidation and Change in Board Lot Size; and (ii) the notice of EGM.

LETTER FROM THE BOARD

(2) PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 Existing Shares of par value of HK\$0.01 each, of which 9,153,078,859 Existing Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Existing Shares are issued or repurchased between the Latest Practicable Date up to and including the effective date of the Share Consolidation, immediately after the Share Consolidation, the authorised share capital of the Company shall become HK\$200,000,000 divided into 2,000,000,000 Consolidated Shares of par value of HK\$0.10 each, of which 915,307,885 Consolidated Shares will be in issue and fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank pari passu in all respects with each other in accordance with the Company's memorandum and articles of association. Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save that any fractional Consolidated Shares will not be allocated to Shareholders who may otherwise be entitled.

Fractional entitlement to the Consolidated Shares

Fractional Consolidated Shares, if any, will not be issued to the Shareholders but will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of existing share certificates held by such holder.

Conditions and expected effective date of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders by way of poll to approve the Share Consolidation at the EGM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with the relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation.

LETTER FROM THE BOARD

Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is expected to be on Tuesday, 20 October 2020, being the second Business Day after the EGM.

As at the Latest Practicable Date, none of the conditions above had been fulfilled.

Application for listing of the Consolidated Shares

An application will be made by the Company to the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made by the Company for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

Arrangement on odd lot trading and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares arising from the Share Consolidation, the Company has appointed Fortune (HK) Securities Limited as a designated broker to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares.

Shareholders who wish to take advantage of this facility should contact Fortune (HK) Securities Limited at 43rd Floor, COSCO Tower, 183 Queen's Road Central, Hong Kong or at telephone number (852) 3189 2187 from 9:00 a.m. on Wednesday, 4 November 2020 to 4:10 p.m. on Tuesday, 24 November 2020.

LETTER FROM THE BOARD

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Any Shareholder, who is in any doubt about the odd lot arrangement, is recommended to consult his/her/its own professional advisers.

Shareholders or potential investors should note that (i) odd lots will be created after the Share Consolidation; (ii) odd lots arrangements do not guarantee successful matching of all odd lots at the relevant market price; and (iii) odd lots might be sold below the market price in the market.

Exchange of share certificates

Subject to the Share Consolidation having become effective, Shareholders may during the specified period submit share certificates for Existing Shares to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, in exchange, at the expense of the Company, for new share certificates for the Consolidated Shares. Thereafter, certificates for Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for Existing Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher. The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:10 p.m. on Tuesday, 24 November 2020, and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of title to the Consolidated Shares on the basis of ten (10) Existing Shares for one (1) Consolidated Share. The new share certificates for the Consolidated Shares will be issued in blue colour in order to distinguish them from the share certificates for the Existing Shares which are in beige colour.

Adjustments in relation to other securities of the Company

As at the Latest Practicable Date, there are outstanding Convertible Bonds issued by the Company with an aggregate principal amount of HK\$21,000,000, which are convertible into 350,000,000 Existing Shares at the prevailing conversion price of HK\$0.06 per Existing Share. The Share Consolidation may lead to adjustments to the conversion price and the number of Shares falling to be issued upon the exercise of the conversion rights attaching to the Convertible Bonds in accordance with the terms and conditions of the Convertible Bonds. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

Save for the Convertible Bonds as disclosed above, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the Latest Practicable Date.

LETTER FROM THE BOARD

Change in Board Lot Size

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 2,000 Existing Shares to 4,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.068 per Existing Share (equivalent to the theoretical closing price of HK\$0.680 per Consolidated Share) as at the Latest Practicable Date, (i) the value of each existing board lot of Existing Shares is HK\$136; (ii) the value of each board lot of 2,000 Consolidated Shares would be HK\$1,360 assuming the Share Consolidation becoming effective; and (iii) the estimated value per board lot of 4,000 Consolidated Shares would be HK\$2,720 assuming that the Change in Board Lot Size had also been effective.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

Reasons for and benefits of the Share Consolidation and the Change in Board Lot Size

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 30 August 2019 has further stated that (i) market price of the Shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

For the past six months, the share price of the Company has been trading at or below HK\$0.10, and the closing price of the Existing Shares on the Latest Practicable Date was HK\$0.068. The existing board lot value has been less than HK\$2,000. Based on the closing price of HK\$0.068 per Existing Share as at the Latest Practicable Date and the existing board lot size of 2,000 Existing Shares, the Board resolved to propose the Share Consolidation and the Change in Board Lot Size, resulting in HK\$0.680 per Consolidated Share and HK\$2,720 per board lot of 4,000 Consolidated Shares with the view to complying with the trading requirements under the Listing Rules.

The Directors consider that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Consolidated Share on the Stock Exchange. Furthermore, the Share Consolidation and the Change in Board Lot Size would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction costs for each securities trade.

LETTER FROM THE BOARD

In view of the above reasons, the Company considers the Share Consolidation and Change in Board Lot Size is justifiable notwithstanding of the potential costs and impact arising from creation of odd lots to the Shareholders. Accordingly, the Board is of the view that the Share Consolidation and Change in Board Lot Size is beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation, and the Company does not have any concrete plan to conduct any fundraising activities in the next 12 months. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising opportunities arise in order to support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

The Board believes that the Share Consolidation will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders.

Warning

Shareholders and potential investors should be aware of and take note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed “CONDITIONS AND EXPECTED EFFECTIVE DATE OF THE SHARE CONSOLIDATION”. And the Change in Board Lot Size is conditional upon the Share Consolidation becoming effective. Accordingly, the Share Consolidation and the Change in Board Lot Size may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

(3) EGM

The EGM will be held to consider and, if thought fit, pass resolutions to approve, among other matters, the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder will be required to abstain from voting on the resolution(s) to approve the Share Consolidation at the EGM.

A notice convening the EGM to be held at 43rd Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong on Friday, 16 October 2020 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at general meetings must be taken by poll. Therefore, the resolutions set out in the notice of the EGM will be required to be voted by way of poll.

LETTER FROM THE BOARD

Whether or not you are able to attend and vote at the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case maybe). Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the EGM or any adjournment thereof (as the case may be) should you so wish.

The register of members of the Company will be closed from Monday, 12 October 2020 to Friday, 16 October 2020, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the entitlement to attend and vote at the EGM, all Share transfers accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 9 October 2020.

(4) RECOMMENDATION

The Board considers that the Share Consolidation is in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Share Consolidation.

(5) RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By Order of the Board
China Fortune Financial Group Limited
ZHU Yi
*Chief Executive Officer
and Executive Director*

NOTICE OF EGM



China Fortune Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 290)

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of China Fortune Financial Group Limited (the “**Company**”) will be held at 43rd Floor, COSCO Tower, 183 Queen’s Road Central, Hong Kong, on Friday, 16 October 2020, at 11:00 a.m. for the purpose of considering, and if thought fit, passing with or without modifications, the following resolution of the Company:

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon, among others, the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the issued shares of the Company consolidated in the manner as set out in paragraph (a) of this resolution below (the “**Share Consolidation**”):
 - (a) with effect from the second business day immediately following the date on which this resolution is passed:
 - (i) every ten (10) issued and unissued ordinary shares of par value of HK\$0.01 each in the share capital of the Company be consolidated into one (1) consolidated share of par value of HK\$0.10 each (each a “**Consolidated Share**”), such Consolidated Shares shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions as contained in the memorandum and articles of association of the Company; and
 - (ii) all fractional Consolidated Shares, if any, will not be issued to the shareholders of the Company but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit for the Company; and

NOTICE OF EGM

- (b) the board of directors of the Company be and is hereby authorised to do all such acts and things and execute all such documents, including under seal where applicable, as it considers necessary, desirable or expedient to give effect to the foregoing arrangement for the Share Consolidation.”

By Order of the Board
China Fortune Financial Group Limited
ZHU Yi
*Chief Executive Officer
and Executive Director*

Hong Kong, 28 September 2020

Registered Office:

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

Principal Place of Business in Hong Kong:

43rd Floor, COSCO Tower,
183 Queen's Road Central,
Hong Kong

Notes:

- (a) Any member of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote on behalf of him/her/it. A proxy needs not be a member. A member of the Company who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her/it to attend and vote on his/her/its behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares of the Company in respect of which each such proxy is so appointed.
- (b) In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power of authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a member from attending and voting in person at the EGM or any adjournment thereof should such member so wishes and, in such event, the form of proxy shall be deemed to be revoked.
- (c) The register of members of the Company will be closed from Monday, 12 October 2020 to Friday, 16 October 2020, both days inclusive, during which period no transfer of Shares will be effected. In order to determine the entitlement to attend and vote at the EGM, all Share transfers accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on Friday, 9 October 2020.
- (d) Where there are joint registered holders of any shares of the Company, any one of such persons may vote at the EGM, either personally or by proxy, in respect of such shares as if he/she/it were solely entitled thereto; but if more than one of such joint holders be present at the EGM personally or by proxy, that one of the said persons so present being the most, or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand in the register of members of the Company in respect of the relevant joint holding.
- (e) All votes to be taken at the EGM shall be conducted by way of poll.
- (f) If a Typhoon Signal No. 8 or above is hoisted, a or a "Black" rainstorm warning signal is in force at or at any time after 8:00 a.m. on the date of the EGM, the EGM will be postponed. The Company will post an announcement on the Company's website and HKExnews website to notify the shareholders of the Company of the date, time and place of the rescheduled EGM.