China Minsheng Financial Holding Corporation Limited
中國民生金融控股有限公司

(Incorporated in Hong Kong with limited liability)
(Stock Code: 245)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2016

The Board (the "Board") of Directors (the "Directors") of China Minsheng Financial Holding Corporation Limited (the "Company") hereby announces the audited consolidated results of the Company and its subsidiaries (hereinafter together referred as the "Group") for the year ended 31 December 2016 together with the comparative figures of the corresponding year in 2015, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the year ended 31 December 2016

	Note	2016 HK$'000	2015 HK$'000
Interest income		**75,666**	–
Commission and fee income		**39,569**	8,733
Net investment income		**114,997**	–
Revenue from trading of chemical materials		**–**	192,358
Total revenue	*4, 5*	**230,232**	201,091
Commission expenses		**(296)**	(8,692)
Cost of chemical materials		**–**	(190,564)
		229,936	1,835
Other income		**1,534**	910
		231,470	2,745
Expenses			
Staff costs and related expenses		**(65,063)**	(15,440)
Premises expenses		**(8,875)**	(3,872)
Legal and professional fees		**(22,460)**	(2,179)
Depreciation		**(1,919)**	(436)
Information technology expenses		**(2,691)**	–
Impairment losses on available-for-sale financial assets		**(42,950)**	–
Other operating expenses		**(36,081)**	(25,343)
Total operating expenses		**(180,039)**	(47,270)

	Note	**2016** *HK$'000*	2015 *HK$'000*
Operating profit/(loss)		**51,431**	(44,525)
Share of post-tax loss of associates		**(3,259)**	–
Finance costs		**(6,121)**	–
Profit/(loss) before income tax	*6*	**42,051**	(44,525)
Income tax expenses	*7*	**(10,708)**	(80)
Profit/(loss) for the year		**31,343**	(44,605)
Profit/(loss) attributable to:			
— Owners of the Company		**36,933**	(28,580)
— Non-controlling interests		**(5,590)**	(16,025)
		31,343	(44,605)
		HK$ Cents per share	*HK$ Cents per share*
Earnings/(loss) per share attributable to owners of the Company			
Basic earnings/(loss) per share	*9*	**0.13**	(0.72)
Diluted earnings/(loss) per share	*9*	**0.13**	(0.72)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2016

	2016	2015
	HK$'000	*HK$'000*
Profit/(loss) for the year	**31,343**	(44,605)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Net change on fair value on available-for-sale financial assets, net of tax	**(54,422)**	–
Currency translation differences	**(6,915)**	836
Other comprehensive income for the year, net of tax	**(61,337)**	836
Total comprehensive income for the year	**(29,994)**	(43,769)
Total comprehensive income for the year attributable to:		
— Owners of the Company	**(39,025)**	(39,050)
— Non-controlling interests	**9,031**	(4,719)
	(29,994)	(43,769)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2016

	Note	**2016** ***HK$'000***	2015 *HK$'000*
ASSETS			
Non-current assets			
Property, plant and equipment		**9,493**	1,954
Goodwill		**16,409**	15,871
Other intangible assets		**500**	500
Investments in associates		**123,207**	–
Rental and other deposits		**367**	1,048
Financial assets designated at fair value through profit or loss		**256,295**	–
Available-for-sale financial assets		**865,455**	199
Total non-current assets		**1,271,726**	19,572
Current assets			
Margin receivables and other trade receivables	*10*	**106,944**	18
Available-for-sale financial assets		**599,151**	–
Financial assets designated at fair value through profit or loss		**100,417**	–
Derivative financial instruments		**32,183**	–
Loan and interest receivables	*11*	**1,230,939**	–
Deferred tax assets	*7*	**8,045**	–
Other receivables, prepayments and deposits		**68,248**	2,486
Pledged bank deposits		**282**	299
Margin accounts with financial institution		**212,814**	–
Deposits with brokers		**854,819**	–
Cash and bank balances		**1,428,308**	5,062,465
Total current assets		**4,642,150**	5,065,268
Total assets		**5,913,876**	5,084,840

	Note	2016 HK$'000	2015 HK$'000
EQUITY			
Equity attributable to owners of the Company			
Share capital	*13*	**5,667,546**	5,666,290
Other reserves		**704,603**	774,728
Accumulated losses		**(1,110,894)**	(1,147,827)
		5,261,255	5,293,191
Non-controlling interests		**(244,511)**	(253,542)
Total equity		**5,016,744**	5,039,649
LIABILITIES			
Non-current liabilities			
Note payable		**349,200**	–
Deferred tax liabilities	*7*	**353**	–
Total non-current liabilities		**349,553**	–
Current liabilities			
Loan and interest payables		**393,508**	–
Current tax liabilities		**14,100**	115
Trade payables	*12*	**16,759**	18,966
Margin payables		**46,538**	–
Accruals and other payables		**76,674**	26,110
Total current liabilities		**547,579**	45,191
Total liabilities		**897,132**	45,191
Total equity and liabilities		**5,913,876**	5,084,840

Notes:

1. STATUTORY FINANCIAL STATEMENTS

The financial information relating to the years ended 31 December 2016 and 2015 included in this preliminary announcement of annual results 2016 do not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2016 in due course.

The Company's existing auditor and predecessor auditor have reported on the consolidated financial statements of the Group for the years ended 31 December 2016 and 2015 respectively. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2. GENERAL INFORMATION

The Company was incorporated in Hong Kong with limited liability. The address of its registered and business office is Unit A02, 11/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its principal subsidiaries include investment holding, provision of asset management services, consultancy services, financing services, insurance agency services, securities advisory, securities brokerage services, and trading.

This consolidated financial statements is presented in thousands of Hong Kong dollars ("HK$'000"), unless otherwise stated.

In the opinion of the directors of the Company, at 31 December 2016, CMI Financial Holding Company Limited, a company incorporated in Hong Kong, is the immediate holding company; China Minsheng Investment Corporation Limited, a company incorporated in the People's Republic of China (the "PRC"), is the ultimate holding company.

3.1 BASIS OF PREPARATION

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial investments, and financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

3.2 NEW STANDARDS ADOPTED BY THE GROUP

3.2.1 Financial assets

Initial recognition and measurement

Financial assets within the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, available-for-sale financial assets and loans and receivables. The Group determines the classification of its financial assets at initial recognition. When financial assets are recognised initially, they are measured at fair value plus transaction costs, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Assets are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

The Group's financial assets include margin receivables and other trade receivables, other receivables, available-for-sale financial assets, financial assets designated at fair value through profit or loss, derivative financial instruments, loan and interest receivables, deposits with brokers, margin accounts with financial institution, pledged bank deposits and cash and cash equivalents.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i. *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in revenue in the consolidated statement of profit or loss within "Net investment income" in the period in which they arise. These net fair value changes do not include any interest earned on these financial assets. Interest income is recognised on an accrual basis using the effective interest rate method by applying the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Financial assets designated upon initial recognition at fair value through profit or loss are designated at the date of initial recognition and only if the criteria under HKAS 39 are satisfied.

ii. *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in "Interest income" in profit or loss. The loss arising from impairment on loans and receivables is recognised in profit or loss.

iii. Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income and accumulated in the investment revaluation reserve, until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are reclassified from equity to profit or loss. Interest calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in the consolidated statement of profit or loss within “Net investment income”.

3.2.2 Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (an incurred “loss event”) and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The Group reviews its loans and margin receivable portfolio to assess impairment on a regular basis. In determining whether an impairment loss should be recorded in the consolidated statement of profit or loss, the Group makes judgement as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from the loans and accounts receivable. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the Group. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition). If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

Available-for-sale financial assets

A significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of profit or loss on equity instruments are not reversed through the consolidated statement of profit or loss.

3.2.3 Derivative financial instruments

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices in active market, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

3.2.4 Financial liabilities

Financial liabilities including note payable, loan and interest payable, trade payables, margin payables and other payables are subsequently measured at amortised cost, using the effective interest method.

3.2.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

3.2.6 Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(A) Interest income

Interest income includes interest income from loan lending, bank deposits and margin lending. Interest income for all interest-bearing financial instruments are recognised within "Interest income" in the consolidated statement of profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, where appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument, but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(B) Commission and fee income

Commission and fee income includes brokerage commission income, loan arrangement fee income and insurance agency income.

Brokerage commission income on dealing in securities contracts is recognised on a trade date basis when the relevant transaction is executed.

Loan arrangement fees are recognised as revenue when the loan has been granted by the Group and accepted by the borrowers and the related arrangement services have been completed.

Insurance agency and other fee income are recognised as revenue when the Group performs its role as an agent and when the corresponding services are rendered.

(C) Net investment income

Net investment income includes gain on disposals of available-for-sale investments, net gain on financial assets designated at fair value through profit or loss and derivative financial instruments and dividend income. They are recognised on the transaction dates when the relevant contract notes are executed whilst the unrealised profits or losses are recognised from valuation at the end of the reporting period in accordance with the accounting policies for financial instruments. Dividend income is recognised when the right to receive payment is established.

(D) Sales of goods

Revenues from the sales of goods are recognised on the transfer of significant risks and rewards of ownership, which generally coincides with the time when the goods are delivered and the title has passed to the customers.

3.3 OTHER AMENDED STANDARDS ADOPTED BY THE GROUP

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2016:

- Clarification of acceptable methods of depreciation and amortisation — amendments to HKAS 16 and HKAS 38
- Annual improvements to HKFRSs 2012 – 2014 cycle
- Disclosure initiative — amendments to HKAS 1
- Equity method in separate Financial Statements — amendments to HKAS27

The adoption of these amendments did not have any material impact on the current period or any prior period.

3.4 NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below.

(i) HKFRS 9 Financial instruments

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in September 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. A significant portion of the Group's available-for-sale financial assets would likely be classified as at fair value through other comprehensive income.

While the Group is yet to perform a detailed assessment of how its impairment assessment would be affected by the new model, it may result in an earlier recognition of credit loss.

The Group plans to adopt the standard when it becomes effective in 2018 without restating comparative information and is gathering data to quantify the potential impact arising from the adoption.

(ii) HKFRS 15 Revenue from contracts with customers

HKFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 'Revenue' and HKAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Directors of the Group are assessing the impact of HKFRS 15.

The Group is currently assessing the impact of this standard and based on the Group's current exposures, it is expected that the standard may not have significant impact, when applied, on the consolidated financial statements of the Group.

(iii) HKFRS 16 Leases

HKFRS 16, 'Leases' addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from HKFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces HKAS 17 'Leases', and related interpretations. The Directors of the Group are assessing the impact of HKFRS 16.

The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

There are no other HKFRS or HK(IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

4. SEGMENT INFORMATION

Due to the business transformation process of the Group in 2016, Management has continued to revisit the operating segments to be presented to the chief operating decision maker ("CODM").

CODM has been identified as the Executive Directors of the Company. Management has determined the operating segments based on the reports reviewed by the CODM that are used to assess performance and allocate resources. The CODM considers the business from the operations nature perspective, including the provision for asset management services ("Asset Management"), securities brokerage services ("Securities brokerage"), investment holding ("Investment holding"), investment banking ("Investment banking"), insurance agency services ("Insurance agency"), trading of chemical materials ("Trading of chemical materials") and other corporate and business activities ("Others"). Each of the Group's operating segments represents a strategic business unit that is managed by different business unit leaders. Information provided to the CODM is measured in a manner consistent with that in the consolidated financial statements.

For the year ended 31 December 2016

	Asset management *HK'000*	Securities brokerage *HK'000*	Investment holding *HK$'000*	Investment banking *HK$'000*	Insurance agency *HK$'000*	Trading of chemical materials *HK$'000*	Others *HK$'000*	Total *HK$'000*
Revenue from external customers	20,838	32,772	170,909	–	374	–	5,339	230,232
Segment profit/(loss) before income tax	(294)	19,581	110,581	(25,394)	(376)	(12,401)	(49,646)	42,051
Other segment information:								
Interest income	–	18,258	53,385	–	–	70	3,953	75,666
Depreciation and amortisation	226	465	–	–	–	566	662	1,919

For the year ended 31 December 2015

	Asset management *HK'000*	Securities brokerage *HK'000*	Investment holding *HK$'000*	Investment banking *HK$'000*	Insurance agency *HK$'000*	Trading of chemical materials *HK$'000*	Others *HK$'000*	Total *HK$'000*
Revenue from external customers	–	32	–	–	8,701	192,358	–	201,091
Segment profit/(loss) before income tax	–	(2,050)	–	–	(5,061)	1,777	(39,191)	(44,525)
Other segment information:								
Interest income	–	1	–	–	6	–	539	546
Depreciation and amortisation	–	67	–	–	–	–	369	436

5. REVENUE

	2016 **HK$'000**	2015 *HK$'000*
Interest income:		
Interest income from money lending business	**67,174**	–
Interest income from margin lending business	**3,451**	–
Interest income from bank deposits	**5,040**	–
Other interest income	**1**	–
	75,666	–
Commission and fee income:		
Commission income from securities brokerage	**15,526**	32
Loan arrangement fee income	**6,650**	–
Fee income received from asset management business	**1,982**	–
Referral fee income	**14,739**	–
Insurance agency and other fee income	**672**	8,701
	39,569	8,733
Net investment income:		
Net gain on financial assets designated at fair value through profit or loss	**16,712**	–
Net gain on derivative financial instruments	**43,473**	–
Gain on disposal of available-for-sale investments	**38,326**	–
Dividend income	**16,486**	–
	114,997	–
Revenue from trading of chemical materials:	**–**	192,358
	230,232	201,091

6. PROFIT BEFORE INCOME TAX

The Group's profit for the year is stated after charging/(crediting) the following:

	2016	2015
	HK$'000	*HK$'000*
Profit before income tax has been arrived at after charging/(crediting):		
Auditors' remuneration		
Audit fees	**1,580**	1,300
Non-audit fees	**3,325**	678
Loss/(gain) on disposals of property, plant and equipment	**499**	(83)
Impairment loss on prepayments and deposits	**–**	7,970
Interest income on bank deposits	**(5,040)**	(546)
Foreign exchange losses, net	**7,516**	43
Written-back of trade payables	**(1,091)**	–

7. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) and at the rates of income tax prevailing in the countries in which the Group operates respectively.

The PRC Enterprise Income Tax rate is 25% (2015: 25%).

	2016	2015
	HK$'000	*HK$'000*
Hong Kong Profits Tax		
— charge for the year	**12,515**	–
PRC Enterprise Income Tax		
— charge for the year	**1,542**	–
— underprovision for prior year	**14**	80
Deferred income tax		
— (credit)/charge for the year	**(3,363)**	–
	10,708	80

The income tax for the year can be reconciled to the profit/(loss) before income tax per the consolidated statement of profit or loss as follows:

	2016	2015
	HK$'000	*HK$'000*
Profit/(loss) before income tax	**42,051**	(44,525)
Income tax at income tax rate applicable to assessable profit of the operation in different jurisdictions	**13,640**	(7,347)
Tax effect of expenses not deductible for tax purpose	**9,727**	6,467
Tax effect of income not taxable for tax purpose	**(13,601)**	(83)
Under provision in prior year	**14**	80
Utilisation of tax losses previously not recognised	**(2,789)**	(13)
Tax effect of tax losses not recognised	**3,797**	10,250
Others	**(80)**	(9,274)
Income tax for the year	**10,708**	80

As at 31 December 2016, deferred tax asset of HK$3,386,000 (2015: Nil) has been recognised for some of the unused tax losses. There were no material unrecognised tax losses which have been agreed with the Inland Revenue Department.

		2016			2015	
	Before tax	**Tax credit**	**After tax**	Before tax	Tax credit	After tax
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Fair value gains on available-for-sale financial assets	**(58,728)**	**4,306**	**(54,422)**	–	–	–
Currency translation differences	**(6,915)**	**–**	**(6,915)**	(10,470)	–	(10,470)
Other comprehensive income	**(65,643)**	**4,306**	**(61,337)**	(10,470)	–	(10,470)
Deferred tax		**4,306**			–	

No provision for deferred tax had been made for year ended 31 December 2015 as the tax effect of all temporary difference is not material.

The following is the analysis of the deferred tax balances for financial reporting purpose.

	2016	2015
	HK$'000	*HK$'000*
Deferred tax assets		
— Net fair value losses	**4,659**	–
— Tax losses	**3,386**	–
	8,045	–
Deferred tax liabilities		
— Net fair value gain	**353**	–

8. DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2016 (2015: HK$Nil).

9. EARNINGS/(LOSS) PER SHARE

Basic earning/(loss) per share

The calculation of basic earning per share attributable to owners of the Company is based on the profit for the year attributable to owners of the Company of approximately HK$36,933,000 (2015: Loss HK$28,580,000) and the weighted average number of ordinary shares of 28,927,886,000 (2015: 3,945,489,000) in issue during the year.

Diluted earning/(loss) per share

The effects of all potential ordinary shares are anti-dilutive for the years ended 31 December 2016 and 2015.

10. MARGIN RECEIVABLES AND OTHER TRADE RECEIVABLES

	2016	2015
	HK$'000	*HK$'000*
Margin clients	**104,944**	–
Less: Impairment allowances on trade receivables	**–**	–
	104,944	–
Trade receivables arising from the businesses of asset management	**1,982**	–
Others	**18**	18
	106,944	18

The settlement terms of trade receivables arising from the business of securities dealing and broking excluding margin clients are two days after trade date.

Loans to margin clients are secured by clients' pledged Hong Kong-listed securities at fair value of HK$398,238,600 (2015: HK$Nil) which can be sold at the Company's discretion to settle margin call requirements imposed by their respective securities transactions. The loans are repayable on demand and bear interest at commercial rates.

The Group considered that the business nature of margin receivable are short-term with no significant over-due amounts and the directors are of the opinion that no further aging analysis is disclosed.

Aging analysis of other trade receivables from the trade date is as follow:

	2016 *HK$'000*	2015 *HK$'000*
0–90days	**1,982**	18
91–180days	**–**	–
181–365days	**–**	–
Over 365days	**18**	–
	2,000	18

The carrying amount of the margin receivables and other trade receivables approximate to their fair value.

The Group believes that the amount is considered recoverable given that the collaterals are sufficient to cover the balances. No impairment allowance is provided for the margin loan receivable (2015: Nil).

11. LOAN AND INTEREST RECEIVABLES

As at 31 December 2016, these loan receivables bear interest at fixed rate ranged from 7.3% to 30% per annum (31 December 2015: Nil). Interest income derived from loan receivables was recognised and presented under "Interest income". The carrying value of the loan receivables approximate to their fair values.

Regular reviews on these loans receivables are conducted by the Risk Management Department based on the latest status of these loans, and the latest announced or available information about the borrowers and the underlying collateral held. Apart from collateral monitoring, the Group seeks to maintain effective control over its loans in order to minimise credit risk by regularly reviewing the borrowers' and/or guarantors' financial positions.

As these loan receivables will be settled within 12 months, the carrying amount approximate to their fair value.

As at 31 December 2016, the loan receivables are neither past due nor impaired (2015: Nil). Having considered the business nature of loan and interest receivables, the directors are of opinion that no further aging analysis is disclosed.

12. TRADE PAYABLES

The Group normally obtains credit terms ranging from 30 to 90 days from its suppliers but certain suppliers would require the Group to pay in advance.

The aging analysis of trade payables, based on date of receipt of goods and services, is as follows:

	2016 *HK$'000*	2015 *HK$'000*
0–90 days	**–**	101
91–180 days	**–**	–
181–365 days	**1**	7
Over 365 days	**16,758**	18,858
	16,759	18,966

13. SHARE CAPITAL

	Note	2016 Number of shares '000	2016 Amount HK$'000	2015 Number of shares '000	2015 Amount HK$'000
Ordinary shares, issued and fully paid:					
At 1 January		**28,927,291**	**5,666,290**	2,308,331	574,117
Issue of shares on placement and subscription	*(a)*	**–**	**–**	26,399,360	5,042,258
Issue of shares under share option scheme	*(b)*	**1,428**	**1,256**	219,600	49,915
At 31 December		**28,928,719**	**5,667,546**	28,927,291	5,666,290

Notes:

(a) On 22 April 2015, the Company, Group First Limited ("Group First", a substantial shareholder of the Company before share subscription as mentioned below) and a placing agent entered into a placing and subscription agreement, pursuant to which Group First agreed to place and the placing agent agreed to procure not less than six placees to purchase 83,360,000 shares at a placing price of HK$0.6 per share from Group First, and Group First agreed to subscribe new shares equivalent to the number of placing shares of 83,360,000 shares at a subscription price equivalent to the placing price of HK$0.6 per share from the Company. The placing and subscription was completed on 5 May 2015, and net proceeds of approximately HK$48,706,000 were credited to the Company's share capital.

On 18 June 2015, the Company entered into share subscription agreement with CMI Financial Holding Corporation ("CMI") and other investors, pursuant to which the Company has conditionally agreed to allot and issue 26,316,000,000 shares to CMI and other investors at a subscription price of approximately HK$0.19 per share. On 11 December 2015, 26,316,000,000 shares were allotted and issued upon completion of share subscription, and net proceeds of approximately HK$4,993,552,000 were credited to the Company's share capital.

(b) During the year ended 31 December 2016, 1,428,000 shares of the Company were issued under share option scheme, as follows:

Issue date	**Exercise price** *HK$*	**Number of shares** *'000*	**Net proceeds** *HK$'000*
1 August 2016	0.49	1,428	700
		1,428	700

Upon exercise of share options, the fair value of the options on the date of grant are transferred from the Company's share-based payments reserve to the Company's share capital. During the year ended 31 December 2016, approximately HK$1,256,000 was credited to the Company's share capital.

During the year ended 31 December 2015, a total of 219,600,000 shares were issued for the options exercised under the share options scheme, and net proceeds of approximately HK$37,332,000 was received and approximately a reserve transfer of approximately HK$12,583,000, totalling HK$49,915,000 was credited to the Company's share capital.

MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

In 2016, global macroeconomic environment was relatively volatile as uncertainties about future development of global economy intensified. As the market recovered from the impacts of geopolitical and global political events, such as the UK's Brexit referendum (Brexit), US presidential election and Italian constitutional referendum, S&P 500 Index increased by 9% from its bottom in October 2016. It is expected that further interest rate hike by the Federal Reserve Board and downward pressure on the Renminbi will accelerate and continue in 2017. Under the policies formulated by the new Trump administration in the United States ("US"), protectionism is raging in economic and trade fields. Following the US's withdrawal from the Trans-Pacific Partnership Agreement in January 2017, the effectiveness of Trans-Pacific Partnership Agreement promoted by the Obama administration and, accordingly, globalization are facing unprecedented challenges. 2017 is an election year for Europe with the election of the Dutch House of Commons in March, the French presidential election by the end of April, the German federal election in September, casting a cloud of uncertainty over the EU and Eurozone regimes leading to a high level of volatility in the financial market, especially in the sovereign debt market. Those factors have put pressure on the economic recovery and growth. After Brexit, the pressure for the depreciation of British pound continued and has laid uncertainty to the Eurozone trade and investment prospects in the long term.

Although the exchange control restrictions imposed by the PRC government by the end of 2016 has weakened the competitiveness on cross-border mergers and acquisitions, Chinese enterprises "going-out" for seeking international development remains a general trend. The demand of Chinese enterprises for capital offshore for overseas business expansion and investment will sustain. It is expected that offshore facilities will continue to increase in 2017 and bring opportunities to Hong Kong's financial market. The Company will continue to explore new development opportunities in the volatile market to provide the investors with diversified asset portfolios with higher potential.

PROSPECT

The Company will continue to adhere to the business strategy of "Double Drivers — Investment + Investment Bank". Subsidiaries in the securities industry will intensively develop high-end customers base and enter into capital markets selectively. In view of the increasing difficulties in cross-border capital flow under such economic environment and policies, the Company will grasp demands for offshore financing from PRC domestic customers and continue to develop cross-border mergers and acquisitions related businesses. At the same time, the Company plans to carry out strategic mergers and acquisitions selectively, and keep an eye on emerging financial sectors like internet finance, to strike balance and interaction between internet finance and traditional finance.

A number of overseas bonds issued by Chinese enterprises will be matured in the second half of 2017. In view of this, the Company will accelerate the integration of resources in securities, investment, investment banking and asset management, and substantially expand the business which can generate fixed income. Meanwhile, in order to create more value for our shareholders by way of internal and external growth, the Company will expand and diversify its fund management products with an aim to achieving a breakthrough in terms of platform and business in this economic cycle.

BUSINESS REVIEW

Upon completion of share subscription by China Minsheng Investment Corporation Limited ("CMIG") and other strategic investors in December 2015, the Group has taken further steps towards the building of a comprehensive financial services platform with the four pillars, namely investment banking, securities, proprietary investments and asset management for clients, being in place. Businesses have been developing in full swing and started to show some performance. The Group is licensed to carry out type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the "SFO"), as well as the money lending business under the Money Lenders Ordinance. Further, the Group has submitted its application to the Securities and Futures Commission for a license to carry out type 6 (advising on corporate finance) regulated activity.

Looking back on 2016, the Company materialized the ongoing expansion and diversification of its shareholder base. Further to the successful offloading of its holdings on the market during the first half of 2016, CMIG continued to reduce its shareholding from 58.1% to 49.8% during the second half of the year while maintaining its position as the single largest shareholder.

During the year, the Company has further improved its management structure. Mr. Chen Guogang was appointed as the first vice chairman and executive director of the Company with effect from January 2017. The Board has further optimized the corporate governance structure by establishing a strategy committee.

Transcendental breakthroughs in the Company's businesses were achieved in 2016. Thanks to its capital strengths and the unique business model of "investment + investment banking", the Group recorded a full-year profit in 2016 when its financial services platform was still at its infant stage. Operating results of various business segments include: (1) assets under the custody of the securities division amounted to HK$21 billion with a solid clientele comprising over 70 institutions and high-net-worth individuals from China and Hong Kong, thereby initiating a service model targeting ultra-high-end customers; (2) participation in a number of investment projects comprising private equity investments (such as the privatization of Dalian Wanda Commercial Properties), IPO cornerstone investments (such as the IPO of DFZQ (3958.HK)) , bulk transactions on the secondary markets of North America and Europe; (3) successful launch of Shareholder Value Fund, a hedge fund with an initial size of US$80 million; and (4) the establishment of a CMF think tank, the publication of white papers on the leasing industry of China, namely a white paper on aircraft leasing and a white paper on container vessel leasing, which were the first ever in-depth industry-specific research reports published by CMIG, and the successful conclusion of the 1st Forum on the Regulation and Development of Finance Leasing in Beijing, which not only strengthened the Company's influence to the finance leasing industry but also illustrated CMIG's focus in materializing a progressively vertical integration in business strategy.

FINANCIAL REVIEW

For the year ended 31 December 2016, the audited consolidated revenue of the Group was approximately HK$230,232,000, representing an increase of approximately 14.49% as compared with the corresponding period last year. Due to the business transformation process of the Group which led to a slow down of businesses with lower gross profit margin, such as the trading of chemical materials and insurance agency services, the composition of relevant revenue streams of the Group has changed fundamentally.

The analysis of the Group's total revenue recognised in the consolidated statement of profit or loss is as follow:

For the year ended 31 December 2016, in HK$'000

	2016	2015	Change
Interest income	**75,666**	–	–
Commission and fee income	**39,569**	8,733	353.1%
Net investment income	**114,997**	–	–
Revenue from trading of chemical materials	**–**	192,358	(100)%
Total revenue	**230,232**	201,091	14.49%

The Group recorded profit of approximately HK$31,343,000 for the year ended 31 December 2016 (2015: loss of approximately HK$44,605,000), mainly due to:

— positive return from investment business;

— stable interest income from money lending business; and

— transformation to other higher profit margin businesses such as securities brokerage and asset management.

On financial position and cash flows:

— the Group's total assets were approximately HK$5,913,876,000 as at 31 December 2016 (2015: approximately HK$5,084,840,000), representing an increase of 16.3%.

— net cash (outflows)/inflows from operating activities, investing activities and financing activities were approximately HK$(4,220,207,000), HK$(137,042,000) and HK$736,939,000 respectively for the year ended 31 December 2016 (2015: approximately HK$(27,996,000), HK$(18,722,000) and HK$5,079,590,000).

As at 31 December 2016, the Group's total cash and bank balances (excluding pledged bank deposits) were approximately HK$1,428,308,000 (2015: approximately HK$5,062,465,000).

Key financial and business performance indicators

The key financial and business performance indicators of the Group comprise of profitability growth; loan receivables growth; impaired loan receivables to total loan receivables ratio; and gearing ratio.

The Group recorded a profit attributable to owners of the Company of approximately HK$36,933,000 for the year ended 31 December 2016 which is a turnaround from the loss attributable to owners of the Company of approximately HK$28,580,000 for the year ended 31 December 2015.

The Group started its loan lending business since the first quarter of 2016, and loan and interest receivables balance increased to approximately HK$1,230,939,000 as at 31 December 2016 (2015: Nil). The Group will continue to focus on growing its lending business in order to generate sufficient and stable returns to support its continuous operations.

Based on individual assessments on loan receivables, the Group recognized no impairment for the year ended 31 December 2016 (2015: Nil). Impaired loan receivables to total loan receivables ratio is Nil as of 31 December 2016 (2015: Nil). The Group aims to further enhance its credit policy and assessment so as to maintain credit quality of its loan receivables and to take prompt actions to pursue loans recovery regarding potential problem credits.

As at 31 December 2016, the Group had total assets of approximately HK$5,913,876,000 (2015: approximately HK$5,084,840,000) and the gearing ratio (total debt to total equity) was 18% (2015: 1%). The Group strives to achieve appropriate leverage level in order to grow its business effectively, and at the same time continue to monitor its liquidity prudently, manage key risks cautiously and set appropriate yet flexible business development strategies to strike a balance between business growth and risk management.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2016, the Group's cash and bank balances (excluding pledged bank deposits) amounted to approximately HK$1,428,308,000 (as at 31 December 2015: approximately HK$5,062,465,000). The current ratio as at 31 December 2016 was 847.8% (2015: 11,208.6%), which indicated that the Group's overall financial position remained strong.

The Directors are of the opinion that there are sufficient cash resources for the Group to meet its financial obligation and business requirements.

OPERATIONAL REVIEW

Funding, capital structure and capital management

The main objective of the Group's funding activities is to ensure the availability of funds at reasonable costs to meet all contractual financial commitments and to generate reasonable returns from available funds.

The Group relies principally on its share capital, internally generated capital, issuance of notes, bank and other borrowing to fund its money lending business and investments. The Group's interest bearing borrowing in the form of note payable, loan payables and margin payables amounted to approximately HK$783,477,000 as at 31 December 2016. Based on the level of total debt to total equity of the Group, the Group's gearing ratio stood at a healthy level of 18% as at 31 December 2016. The Group's borrowings are mainly in US dollars and Hong Kong dollars, and have remaining average maturity periods of more than one year. The Group's cash and cash equivalents are mainly in US dollars, Hong Kong dollars and Renminbi. In its normal course of business, CM Securities Investment Limited had entered into foreign exchange forward contracts to reduce the foreign exchange rate risk exposures of the Group. There were no foreign currency net investments hedged by foreign currency borrowings and other hedging instruments by the Group during the year under review.

Asset quality and credit management

The Group will continue to manage key risks cautiously and set appropriate yet flexible business development strategies to strike a balance between business growth and risk management. Based on individual assessments on the loan receivables, the Group recognized no impairment for the year ended 31 December 2016.

The Group aims to further enhance its credit policy and assessment so as to maintain credit quality of its assets. Further, the Group's investments and cash and bank balances are placed with a diversified portfolio of reputable financial institutions.

Human resources management

The objective of the Group's human resources management is to reward and recognise well performing staffs by providing a competitive remuneration package and implementing a sound performance appraisal system with appropriate incentives, and to promote career development and progression within the Group. Staffs are enrolled in external training courses, seminars, professional and technical courses in order to update their technical knowledge and skills, to increase their awareness of the market developments, and to improve their management and business skills. Staffs also participated in social activities organised by the Group to promote team spirit and social responsibility to the community.

EXPOSURE TO EXCHANGE RATE FLUCTUATION AND RELATED HEDGING

The Directors considered that the Group has certain exposure to foreign currency risk as some of its business transactions, assets and liabilities are denominated in foreign currencies other than its functional currency, which is Hong Kong dollars. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency should the need arises.

STAFF AND REMUNERATION POLICY

As at 31 December 2016, the Group has 59 employees (2015: 59 employees).

The employees are remunerated based on their work performances, professional experiences and prevailing industry practices. The remuneration policy and package of the Group's employees are periodically reviewed by the Group's management. In addition, the Group adopts a share based scheme for eligible employees (including Directors) to provide incentives to employees for their contributions and continuing efforts to promote the interests of the Group.

CHARGES ON GROUP'S ASSETS

The analysis of the charge on Group's assets is as follow:

As at 31 December 2016, in HK$'000

	2016	2015
Pledged deposits at bank	**282**	299
Pledged deposits at securities margin accounts	**31,699**	–
Pledged investments in available-for-sale financial assets	**61,855**	–
Total charges on Group's assets	**93,836**	299

Deposits at bank is pledged as security for a corporate card granted to a director of the Group. Deposits at securities margin accounts and investments in available-for-sale financial assets are pledged to secure banking facilities for securities dealing purpose.

The above assets are pledged with creditworthy counterparties with no recent history of default.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2016 (2015: Nil).

CAPITAL COMMITMENTS

The Group has entered into a contract to commit investing into an unlisted investment fund. The non-cancellable capital commitment as at 31 December 2016 is approximately HK$106,250,000 (2015: Nil).

Save as disclosed above, the Group did not have any other significant capital commitments as at 31 December 2016.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

On 28 April 2016, the Company invested in 30% equity investment of Grand Flight Holding Company Limited and Grand Flight Hooyoung Investment L.P. respectively.

Pursuant to a sales and purchase agreement dated 15 November 2016, the Group acquired 100% equity interest of Jiangyang International Asset Management Limited from a third party at a total consideration of HK$817,813.

Save as disclosed above, the Group had no material acquisition and disposal of subsidiaries and associated companies during the year ended 31 December 2016.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on the principles and code provisions ("Code Provisions") set out in the Corporate Governance Code (the "CG Code") contained in Appendix 14 of the Listing Rules on the Stock Exchange.

Throughout the year ended 31 December 2016, the Company has complied with most of the Code Provisions of the CG Code, save for the deviation of the Code Provisions A.4.1, E.1.2 and A.6.7 which are explained below.

Code Provision A.4.1 stipulates that non-executive Directors should be appointed for a specific term, subject to re-election. Except Mr. Lyu Wei, as the independent non-executive Directors (the "INEDs"), all the non-executive Directors (the "NEDs") and the remaining INEDs are appointed for a specific term of three years. Although Mr. Lyu Wei is not appointed for a specific term, the Company believes that as all Directors are subject to retirement by rotation and re-election at the annual general meeting at least once for every three years pursuant to the Articles, such practice meets the same objective and is no less exacting than those prescribed under Code Provision A.4.1.

Under the Code Provision E.1.2 of the CG Code, the chairman of the Board (the "Chairman") should attend the annual general meeting and he should also invite the chairmen of the audit, remuneration, nomination and any other committees (as appropriate) to attend. In addition, under the Code Provision A.6.7 of the CG Code, independent non-executive Directors and other non-executive Directors should attend general meetings and develop a balanced understanding of the views of shareholders. During the year ended 31 December 2016, the annual general meeting was held on 30 June 2016, and the whole Board and the auditor of the Company responsible for the audit of the Company's financial statements for the year ended 31 December 2015 have attended the meeting to answer questions of the shareholders except that Mr. Lyu Wei and Mr. Ling Yu Zhang could not attend the annual general meeting due to other business engagements but they have appointed the other attending Directors as their representative at the meeting to answer questions of the shareholders of the Company.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. All the Directors have confirmed, following specific enquiries made by the Company, that they have complied with the required standard as set out in the Model Code throughout the year ended 31 December 2016.

AUDIT COMMITTEE

The Company established an audit committee (the "Audit Committee") with written terms of reference in compliance with the requirements as set out in the Listing Rules for the purposes of reviewing and supervising the financial reporting process and internal controls of the Group. The Audit Committee currently comprises Mr. Chen Johnny (chairman), Mr. Lyu Wei and Mr. Thaddeus Thomas Beczak. The Audit Committee has reviewed and discussed with the management and the external auditor financial reporting matters including the annual results for the year ended 31 December 2016.

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2016 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by PricewaterhouseCoopers on the preliminary announcement.

ANNUAL GENERAL MEETING

The 2017 annual general meeting (the "2017 AGM") is expected to be held in June 2017. A further announcement in relation to the date of the 2017 AGM and the closure of register of members will be published in accordance with the Listing Rules.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

There are no significant events after the Reporting Period and up to the date of this announcement.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year ended 31 December 2016, neither the Company nor any of its subsidiaries had purchased, redeemed or sold any of the Company's listed securities.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk under "Latest Listed Company Information" and on the website of the Company at www.cm-fin.com respectively.

The annual report of the Company for the year ended 31 December 2016 will be dispatched to shareholders and be published on the aforementioned websites in due course.

On behalf of the Board
China Minsheng Financial Holding Corporation Limited
Li Huaizhen
Chairman

Hong Kong, 22 March 2017

As at the date of this announcement, the Board comprises (1) Mr. Chen Guogang, Mr. Liu Tianlin, Mr. Wang Sing, Mr. Ni Xinguang and Ms. Feng Xiaoying as executive directors of the Company; (2) Mr. Li Huaizhen as non-executive director of the Company; and (3) Mr. Chen Johnny, Mr. Beczak Thaddeus Thomas and Mr. Lyu Wei as independent non-executive directors of the Company.