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

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

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云 锋 金 融

Yunfeng Financial Group Limited **雲 鋒 金 融 集 團 有 限 公 司**

(Incorporated in Hong Kong with limited liability)

(Stock Code: 376)

PROPOSALS FOR RE-ELECTION OF DIRECTORS, GENERAL MANDATES TO ISSUE SHARES AND BUY BACK SHARES, ADOPTION OF THE SHARE OPTION SCHEME AND NOTICE OF ANNUAL GENERAL MEETING

A notice convening the annual general meeting of Yunfeng Financial Group Limited to be held at 5/F, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong on Tuesday, 28 June 2022 at 3:00 p.m., or in the event that a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted at 12:00 noon or any time after 12:00 noon on that day, at the same time and place on the first Business Day after 28 June 2022, is set out on pages 30 to 35 of this circular. A form of proxy for use by the shareholders at the annual general meeting is also enclosed. If you do not intend or are unable to attend the meeting and wish to appoint a proxy/proxies to attend and vote on your behalf, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy will not prevent shareholders from attending and voting at the meeting if they so wish.

Please see pages ii and iii of this circular for measures being taken to try to prevent and control the spread of the Coronavirus at the annual general meeting.

Hong Kong, 2 June 2022

This circular and the accompanying form of proxy, in both English and Chinese versions, are available on the Company’s website at www.yff.com (the “**Company Website**”).

Shareholders who have chosen or have been deemed consented to receive the corporate communications of the Company (the “**Corporate Communications**”) via the Company Website and who for any reason have difficulty in receiving or gaining access to the circular and the form of proxy posted on the Company Website will promptly upon request be sent the circular and the form of proxy in printed form free of charge.

Shareholders may at any time change their choice of the means of receipt (either in printed form or via the Company Website) of Corporate Communications.

Shareholders may send their request to receive the circular and the form of proxy in printed form, and/or to change their choice of the means of receipt of Corporate Communications by notice in writing to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong or by sending an email to the share registrar of the Company in Hong Kong at yunfeng.ecom@computershare.com.hk.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the ongoing Novel Coronavirus (COVID-19) epidemic and recent requirements for prevention and control of its spread, the Company will implement precautionary measures against COVID-19 at the Annual General Meeting for the sake of health and safety of our Shareholders, Directors, staff and other participants which include but not limited to:

- compulsory body temperature checks at the main entrance of the venue where the Annual General Meeting will be held. Any person with a body temperature of over 37.4 degrees Celsius would not be allowed to access to the venue. Any denied entry to the venue shall also mean the person would not be allowed to attend the Annual General Meeting
- mandatory use of appropriate face masks prior to admission to the Annual General Meeting venue and at all times during the attendance at the Annual General Meeting, and maintain a safe distance between seats
- the Company shall have the absolute discretion to refuse anyone who does not comply with the above precautionary measures, is subject to quarantine, has any flu-like symptoms or has travelled overseas within 14 days immediately before the Annual General Meeting, or has close contact with any person under quarantine or with recent overseas travel history access to the venue of the Annual General Meeting and attend the Annual General Meeting
- appropriate distance and space will be maintained and as such, the Company may limit the number of attendees at the Annual General Meeting as appropriate to avoid over-crowding
- the Company will not distribute corporate gifts or provide refreshments

In the interest of all stakeholders' health and safety, the Company reminds all Shareholders that physical attendance in person at the Annual General Meeting is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the Annual General Meeting as their proxy to vote on the relevant resolutions at the Annual General Meeting instead of attending the said meeting in person.

If Shareholders have any questions relating to the Annual General Meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's share registrar as follows:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
Website: <http://www.computershare.com/hk/contact>
Tel: 852 2862 8555
Fax: 852 2865 0990

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DEFINITIONS

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

“Adoption Date”	the date on which the Share Option Scheme is conditionally adopted by resolution of the Shareholders in the annual general meeting
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at 5/F, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong on Tuesday, 28 June 2022 at 3:00 p.m., or any adjournment thereof, the notice of which is set out on pages 30 to 35 of this circular
“Articles of Association”	the articles of association of the Company as altered from time to time
“Associates”	has the meaning ascribed to it under the Listing Rules
“Auditors”	the auditors of the Company for the time being
“Board”	the board of Directors (and when such defined term is used in the context of Appendix III to this circular, shall also include a duly authorised committee of the board of Directors)
“Business Day”	means a day (other than Saturdays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for business during normal business hours;
“Buy-back Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to buy back Shares not exceeding 10% of the total number of issued Shares as at the date of passing of the relevant Ordinary Resolution
“chief executive”	has the meaning ascribed to it under the Listing Rules
“Close Associates”	has the meaning ascribed to it under the Listing Rules
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Company”	Yunfeng Financial Group Limited 雲鋒金融集團有限公司, a limited company incorporated in Hong Kong, the Shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Grantee”	any Participant who accepts a Share Option Offer in accordance with the terms of the Share Option Scheme or (where the context so permits) the legal personal representative(s) entitled to any such Option in consequence of the death of the original Grantee
“Group”	the Company and its Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	20 May 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“MMI”	MassMutual International LLC
“MMLIC”	Massachusetts Mutual Life Insurance Company
“Notice of Annual General Meeting”	the notice convening the Annual General Meeting
“Option”	a right to subscribe for Shares pursuant to the terms of the Share Option Scheme
“Option Period”	means a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised, and in any event, such period shall expire no later than 10 years from the Share Option Offer Date
“Option Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to the Share Option Scheme
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) in respect of the special business as referred to in the Notice of Annual General Meeting
“Participant”	any employee (whether full-time or part-time), director or agent of any member of the Group, provided that the Board may have absolute discretion to determine whether or not one falls within the above category

DEFINITIONS

“PRC”	the People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Company
“Share(s)”	means the fully paid share(s) of the Company or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, the shares forming part of the share capital of the Company as shall result from any such sub-division, consolidation, re-classification or re-construction
“Share Option Offer”	an offer of the grant of Option made by the Board in accordance with the Share Option Scheme
“Share Option Offer Date”	means the date on which a Share Option Offer is made to a Participant as determined in accordance with paragraph 5 of Appendix III to this circular
“Share Option Offer Letter”	has the meaning as defined in accordance with paragraph 5.3 of Appendix III to this circular
“Share Option Scheme”	the share option scheme proposed to be adopted at the AGM, the principal terms of which are set out in Appendix III to this circular
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	means a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance or the local companies law, act and/or ordinance where the subject company was incorporated) of the Company whether incorporated in Hong Kong or otherwise;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers
“trading day”	means a day on which the Stock Exchange is open for the trading of securities
“YF Life”	YF Life Insurance International Limited, formerly known as MassMutual Asia Limited, a non-wholly owned subsidiary of the Company
“%”	per cent

LETTER FROM THE BOARD



云 鋒 金 融

Yunfeng Financial Group Limited

雲 鋒 金 融 集 團 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 376)

Chairman:

Mr. Yu Feng *(Non-executive Director)*

Executive Directors:

Mr. Cheung David

(Vice Chairman and Chief Executive Officer)

Mr. Huang Xin

Ms. Hai Olivia Ou

Non-executive Directors:

Mr. Adnan Omar Ahmed

Mr. Michael James O'Connor

Independent Non-executive Directors:

Mr. Qi Daqing

Mr. Chu Chung Yue, Howard

Mr. Xiao Feng

Registered Office:

Rooms 1803-1806, 18th Floor,

China Evergrande Centre,

38 Gloucester Road,

Wanchai

Hong Kong

2 June 2022

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES AND BUY BACK SHARES,
ADOPTION OF THE SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposed re-election of Directors, granting general mandates to issue Shares and buy back Shares to

LETTER FROM THE BOARD

the Directors and adoption of the Share Option Scheme, and to seek your approval for the resolutions relating to these matters and other business at the Annual General Meeting. The following resolutions which will be proposed as ordinary resolutions will be transacted at the Annual General Meeting:

Resolution No. 1: Adoption of the audited financial statements for the year ended 31 December 2021

The 2021 annual report incorporating the audited financial statements, the report of the Directors and independent auditor's report for the year ended 31 December 2021 was sent to the Shareholders on 22 April 2022. The audited financial statements have been reviewed by the audit committee of the Company.

Resolution No. 2: Re-election of Directors and authorization of fixing Directors' remuneration

As at the Latest Practicable Date, the executive Directors are Mr. Cheung David, Mr. Huang Xin and Ms. Hai Olivia Ou; the non-executive Directors are Mr. Yu Feng, Mr. Adnan Omar Ahmed and Mr. Michael James O'Connor; and the independent non-executive Directors are Mr. Qi Daqing, Mr. Chu Chung Yue, Howard and Mr. Xiao Feng.

Pursuant to 103(A) of the Articles of Association, Mr. Adnan Omar Ahmed, Mr. Michael James O'Connor and Mr. Xiao Feng shall retire by rotation at the Annual General Meeting. The retiring Directors, being eligible, offer themselves for re-election.

Mr. Xiao Feng, being an independent non-executive Director of the Company, has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. During his tenure, Mr. Xiao Feng has not been involved in the daily management of the Company nor in any relationship or circumstances which would materially interfere with his exercise of independent judgement. He does not have any other relationships with any Directors, senior management of the Company, substantial Shareholders or controlling Shareholders. The nomination committee of the Company and the Board are also not aware of any circumstance that might influence Mr. Xiao Feng in exercising independent judgment and is satisfied that he has the required character, integrity, independence and experience to fulfill the role of independent non-executive Directors. The nomination committee of the Company nominated Mr. Xiao Feng to the Board for it to propose to the Shareholders for re-election at the Annual General Meeting.

At the meeting of the Board held on 25 March 2022, the Board, with the assistance and recommendation from the nomination committee of the Board of the Company, considered the re-election of the above retiring Directors and resolved that the above retiring Directors be proposed for re-election at the Annual General Meeting.

LETTER FROM THE BOARD

In compliance with the requirements of code provision F.2.1 of the Corporate Governance Code set out in Appendix 14 of the Listing Rules, a separate resolution will be proposed at the Annual General Meeting for the re-election of each individual director whether such Director is an executive Director, non-executive Director or independent non-executive Director.

The brief biographical details of the retiring Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix I to this circular.

The Board recommends to the Shareholders that the Board shall be authorized to fix the Directors' remuneration.

Resolution No. 3: Re-appointment of independent auditor

The Board (which agreed with the view of the audit committee of the Company) recommended that subject to the approval of Shareholders at the Annual General Meeting, KPMG be re-appointed as the independent auditor of the Company to hold office until the conclusion of the next annual general meeting of the Company.

The Board recommends to the Shareholders that the Board shall be authorized to fix the auditor's remuneration.

Resolutions Nos. 4 to 6: General mandates to issue shares and buy back shares

In order to ensure flexibility and provide discretion to the Directors, in the event that it becomes desirable to issue any Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules for a general mandate to issue Shares. At the Annual General Meeting, Ordinary Resolution No. 4 will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to allot and issue new Shares up to 20% of the total number of issued Shares immediately after the passing of Ordinary Resolution No. 4 (i.e. not exceeding 773,598,334 Shares based on 20% of the 3,867,991,673 Shares (subject to adjustment in the case of subdivision and consolidation of Shares) as at the Latest Practicable Date and assuming that such issued Shares remains the same at the date of the passing of the Ordinary Resolution No. 4). In addition, subject to the approval of Ordinary Resolution No. 6, the number of Shares bought back by the Company under Ordinary Resolution No. 5 (subject to adjustment in the case of subdivision and consolidation of Shares) will also be added to the 20% general mandate as mentioned in Ordinary Resolution No. 4.

In addition, Ordinary Resolution No. 5 will be proposed to approve the granting of a Buy-back Mandate to the Directors to exercise the powers of the Company to buy back Shares representing up to 10% of the total number of issued Shares immediately after the passing of Ordinary Resolution No. 5 (i.e. not exceeding 386,799,167 Shares based on 10% of the 3,867,991,673 Shares (subject to adjustment in the case of subdivision and consolidation of Shares) as at the Latest Practicable Date and assuming that such issued Shares remains the same at the date of the passing of the Ordinary Resolution No. 5).

LETTER FROM THE BOARD

An explanatory statement as required by the Listing Rules and the Companies Ordinance to be sent to the Shareholders in connection with the Buy-back Mandate is set out in Appendix II to this circular. The explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

Resolution No. 7: Adoption of the Share Option Scheme

(i) Adoption of the Share Option Scheme

As the previous share option scheme of the Company was adopted on 21 July 2011 and has expired on 20 July 2021, the Board proposes to adopt the Share Option Scheme at the upcoming Annual General Meeting. Ordinary Resolution No. 7 will be proposed at the Annual General Meeting for Shareholders to consider and, if thought fit, approve the adoption of the Share Option Scheme. So far as the Directors are aware, as at the Latest Practicable Date, no Shareholder is required to abstain from voting under the Listing Rules in respect of such resolution.

The purpose of the Share Option Scheme is for the Company to attract, retain and motivate talented Participants to strive for future developments and expansion of the Group and to provide it with a flexible means of incentivising, rewarding, remunerating, compensating and/or providing benefits to, the Participants and for such other purposes as the Board may approve from time to time. Subject to the terms of the Share Option Scheme, the Participants of the Share Option Scheme shall be the employees (whether full-time or part-time), directors or agents of any member of the Group.

As at the Latest Practicable Date, the number of Shares in issue is 3,867,991,673 Shares. Assuming there is no change in the number of issued Shares between the period from the Latest Practicable Date and the Adoption Date, the maximum number of the Shares issuable pursuant to the Share Option Scheme and any other share option schemes of the Company (if any) in aggregate will be 386,799,167 Shares, being 10% of the total number of Shares in issue on the date of approval of the Share Option Scheme. The Share Option Scheme does not have a trustee.

Operation of the Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the Annual General Meeting to approve and adopt the Share Option Scheme and to authorize the Directors to grant Options to the Participants and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options granted under the Share Option Scheme; and
- (b) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued pursuant to the exercise of Options under the Share Option Scheme.

LETTER FROM THE BOARD

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be issued upon the exercise of the Options granted under the Share Option Scheme.

(ii) *Explanation of the terms of the Share Option Scheme*

A summary of the principal terms of the Share Option Scheme is set out in Appendix III to this circular. This serves as a summary of the terms of the Share Option Scheme but does not constitute the full terms of the same.

The exercise price of the Options granted under the Share Option Scheme shall be a price solely determined by the Board subject to a minimum amount set out in the rules of the Share Option Scheme, and the Board may specify in the Share Option Offer Letter the performance targets that need to be achieved by a Participant as well as the minimum period for which an Option must be held before an Option can be exercised. It is believed that by providing the Board with the discretion to offer Options in such flexible terms, in particular, to determine the Option Subscription Price, prescribing a vesting period before Options can be exercised, and/or requiring the Participant to achieve such performance targets as may be stipulated in the Share Option Offer Letter before his or her Options can be exercised, the Group will be in a better position to attract and retain such Participants to continuing serving the Group whilst at the same time providing them with further incentive in achieving the goals of the Group, and thereby, to achieve the purpose of the Share Option Scheme.

(iii) *Value of the Options*

It is not practicable to state the value of all the Options that can be granted pursuant to the Share Option Scheme as if they had been granted on the Latest Practicable Date as a number of factors crucial for the calculation of the value of Options cannot be determined. Such factors include the Option Subscription Price, exercise period, any vesting period, any performance targets set and any other terms and conditions that the Board may impose with respect to the Options. Therefore, at this stage, any calculation of the value of the Options as at the Latest Practicable Date based on the large number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.

(iv) *Document on display*

A copy of the rules of the Share Option Scheme will be published on the websites of Stock Exchange and the Company for display for a period of not less than 14 days before the date of the Annual General Meeting and the Share Option Scheme will be made available for inspection at the Annual General Meeting.

LETTER FROM THE BOARD

2. ANNUAL GENERAL MEETING

The Notice of Annual General Meeting is set out on pages 30 to 35 of this circular to consider the resolutions nos. 1 to 7.

A form of proxy for use at the Annual General Meeting is enclosed. If you do not intend or are unable to attend the meeting and wish to appoint a proxy/proxies to attend and vote on your behalf, you are requested to complete the form of proxy and return it to the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for the holding of the Annual General Meeting. Completion and delivery of the form of proxy will not prevent Shareholders from attending and voting at the Annual General Meeting if they so wish.

Pursuant to the Listing Rules, any vote of Shareholders taken at the Annual General Meeting to approve the resolutions proposed must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

3. CLOSURE OF REGISTER OF MEMBERS

To ascertain the identity of the Shareholders who are entitled to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Thursday, 23 June 2022 to Tuesday, 28 June 2022 inclusive during which period no share transfers can be registered. In order to be eligible to attend and vote at the Annual General Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 22 June 2022.

4. RECOMMENDATION

The Directors consider that the proposed re-election of Directors, the grant of general mandates to issue Shares and buy back Shares to the Directors and adoption of the Share Option Scheme are in the interests of the Company and its Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

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 aspects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

LETTER FROM THE BOARD

6. GENERAL INFORMATION

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

Yours faithfully,

By order of the Board

Yunfeng Financial Group Limited

Cheung David

Executive Director, Vice Chairman and Chief Executive Officer

Details of the three Directors proposed to be re-elected at the Annual General Meeting are set out as follows:

1. **Mr. Adnan Omar Ahmed**, aged 55, was appointed as a non-executive Director in November 2018. Mr. Ahmed is also a director of YF Life. Mr. Ahmed is the chairman, president and chief executive officer of MMI, a substantial shareholder of the Company. Mr. Ahmed joined MMLIC, the parent holding company of MMI, a substantial shareholder of the Company, in October 2015 as Executive Vice President and Chief Human Resources Officer. Mr. Ahmed brings with him an impressive history of more than 20 years of global financial services and leadership experience, ranging from operating to human resources roles. He joined MMI from Citigroup, Inc. in London where he was Managing Director and Head of Human Resources for Europe, Middle East and Africa as well as the Global Head of Recruitment for the firm. Previously, he led global shared services in the operations and technology division for all of Citigroup employees.

Prior to joining Citigroup in 2010, Mr. Ahmed began his career at Mitsubishi UFJ Financial Group, rotating through various roles including corporate finance, operations, credit and human resources. He then spent 17 years at Morgan Stanley in New York, Tokyo, Sydney and Hong Kong, during which time he held a range of roles including Chief Administrative Officer and Head of Human Resources, Asia.

Mr. Ahmed is on the Advisory Board of NPX Capital, Korea since October 2019 and also on the Advisory Board of Essenlix Corp., US since November 2020. He has been a non-executive director on the board of Nippon Wealth Insurance in Japan, a subsidiary of Nippon Life from 2018-2021. Prior to these directorships, he also served on the boards of Temasek Management Services, Singapore between 2010-2018, Human Capital Leadership Institute in Singapore from 2017-2019, and Bank Handlowy, Poland and Citibank Turkey, both between 2012-2015.

Mr. Ahmed holds a bachelor of science degree in computer science, a bachelor of arts degree in international relations, and a master's degree in business administration, all from Tulane University. He is based in Hong Kong.

Save as disclosed, Mr. Ahmed had not held any directorship in other listed public companies in Hong Kong or overseas during the three years preceding the Latest Practicable Date or any position with the Company and other members of the Group at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Ahmed had no interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed, as at the Latest Practicable Date, Mr. Ahmed had no relationship with any Directors, senior management of the Company or substantial or controlling Shareholders.

Mr. Ahmed is not appointed for a specific term, but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. During the year 2021, Mr. Ahmed was not entitled any remuneration. Nevertheless, he is entitled to receive discretionary remuneration or other benefits as may be decided by the Board from time to time, having regard to the Company's performance and profitability, his duties and performance and the prevailing market conditions.

Save as disclosed above, in relation to the re-election of Mr. Ahmed as Director, there is no other information which is required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules; and there is no other matter that needs to be brought to the attention of the Shareholders.

2. **Mr. Michael James O'Connor**, aged 53, was appointed as a non-executive Director in March 2020. Mr. O'Connor is the General Counsel of MMLIC, leading its legal, compliance, government relations, internal audit and corporate governance functions. MMLIC is the sole member of MMI, a substantial shareholder of the Company. Mr. O'Connor was appointed as a manager of MMI, a substantial shareholder of the Company on August 2020. He is a member of MMLIC's Executive Leadership team. Mr. O'Connor initially joined MMLIC's Law Division in 2005 and from 2008-2011, he led the company's corporate law and government relations teams. From 2011 to 2017, Mr. O'Connor served in a number of business leadership positions at MMLIC, first as Chief of Staff to MMLIC's CEO Roger Crandall and later as head of corporate development and mergers and acquisitions and then as head of MMLIC's international insurance operations.

Prior to joining MMLIC, Mr. O'Connor served from 2002-2005 as U.S. General Counsel of Irving Oil Corporation, an independent global petroleum refiner and marketer. From 1995 until 2002, Mr. O'Connor practiced corporate law at Goodwin Procter LLP in Boston, where he was a member of the M&A/Corporate Governance and Securities & Corporate Finance practice groups. Mr. O'Connor received a B.A. in Legal Studies from the University of Massachusetts at Amherst. He earned his J.D. from the Boston University School of Law, where he was a G. Joseph Tauro Distinguished Scholar and an Editor of the Boston University Law Review, and his M.B.A., majoring in Finance, from the Wharton School of Business at the University of Pennsylvania.

Save as disclosed, Mr. O'Connor had not held any directorship in other listed public companies in Hong Kong or overseas during the three years preceding the Latest Practicable Date or any position with the Company and other members of the Group at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. O'Connor had no interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed, as at the Latest Practicable Date, Mr. O'Connor had no relationship with any Directors, senior management of the Company or substantial or controlling Shareholders.

Mr. O'Connor is not appointed for a specific term, but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. During the year 2021, Mr. O'Connor was not entitled any director's fee. Nevertheless, he is entitled to received discretionary bonus as may be determined by the Board, having regard to the Company's performance and profitability, his duties and performance and the prevailing market conditions.

Save as disclosed above, in relation to the re-election of Mr. O'Connor as Director, there is no other information which is required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules; and there is no other matter that needs to be brought to the attention of the Shareholders.

3. **Mr. Xiao Feng**, aged 60, was appointed as an independent non-executive Director, and a member of the Audit Committee and Remuneration Committee in March 2019. Mr. Xiao is currently the vice chairman and executive director of China Wanxiang Holding Co., Ltd. (中國萬向控股有限公司). Mr. Xiao has more than 27 years of experiences in finance, asset management and securities management and had served key positions in different institutions including securities management office of the People's Bank of China, Shenzhen Branch from 1992 to 1993, Securities Management Office of Shenzhen from 1993 to 1998 and Bosera Fund Management Co., Ltd. from 1998 to 2011. Since 1998, Mr. Xiao has also been appointed as the director, chairman or president of various finance company, fund or asset management company, trust company and insurance company.

Mr. Xiao obtained a bachelor's degree of arts in Chinese from Jiangxi Normal University in 1983 and a doctoral degree in economics from Nankai University in 2003.

Save as disclosed, Mr. Xiao had not held any directorship in other listed public companies in Hong Kong or overseas during the three years preceding the Latest Practicable Date or any position with the Company and other members of the Group at the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Xiao had no interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Save as disclosed, as at the Latest Practicable Date, Mr. Xiao had no relationship with any Directors, senior management of the Company or substantial or controlling Shareholders.

Mr. Xiao is not appointed for a specific term, but is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provisions of the Articles of Association. During the year 2021, the total remuneration that Mr. Xiao entitled was approximately HK\$252,000. Nevertheless, he is entitled to received discretionary bonus as may be determined by the Board, having regard to the Company's performance and profitability, his duties and performance and the prevailing market conditions.

Save as disclosed above, in relation to the re-election of Mr. Xiao as Director, there is no other information which is required to be disclosed pursuant to any of the requirements of rule 13.51(2) of the Listing Rules; and there is no other matter that needs to be brought to the attention of the Shareholders.

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Buy-back Mandate and also constitutes the memorandum required under Section 239(2) of the Companies Ordinance.

NUMBER OF SHARES

As at the Latest Practicable Date, the number of Shares in issue was 3,867,991,673. Subject to the passing of Ordinary Resolution No. 5 granting the Buy-back Mandate and on the basis that no further Shares are issued or bought back before the Annual General Meeting, the Company will be allowed to buy back a maximum of 386,799,167 Shares (representing not more than 10% of the issued Shares as at the Latest Practicable Date) during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which such authority is revoked or varied by a resolution of the Shareholders in general meeting.

REASONS FOR BUY-BACKS

The Directors believe that the ability to buy back Shares is in the interests of the Company and its Shareholders.

Buy-backs may, depending on the circumstances, result in an increase in net assets and/or earnings per share. The Directors are seeking the grant of a general mandate to buy back Shares to give the Company the flexibility to do so if and when appropriate. The timing and the number, the price and other terms upon which the Shares are bought back will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

FUNDING OF BUY-BACKS

Buy-backs must be made out of funds which are legally available for such purpose in accordance with the Articles of Association and the laws of Hong Kong. The Companies Ordinance provides that the amount of capital repaid in connection with a share buy-back may only be paid from the distributable profits of the company or from the proceeds of a new issue of shares made for the purpose. It is envisaged that the funds required for any buy-back would be derived from the distributable profits of the Company.

There could be an adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the annual report of the Company for the financial year ended 31 December 2021) in the event that the proposed Share buy-backs were to be carried out in full at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-back Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital of the Company or its gearing level which in the opinion of the Directors is from time to time appropriate for the Company.

GENERAL

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close associates (as defined in the Listing Rules) currently intends to sell any Shares to the Company in the event that the Buy-back Mandate is granted by Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers to make buy-backs pursuant to the Buy-back Mandate in accordance with the Listing Rules and the laws of Hong Kong.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or have undertaken not to do so, in the event that the Buy-back Mandate is granted.

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

As at the Latest Practicable Date, Yunfeng Financial Holdings Limited and its associates beneficially held 1,827,641,279 Shares, representing approximately 47.25% of the issued Shares. In the event that the Directors should exercise in full the Buy-back Mandate, the shareholding of Yunfeng Financial Holdings Limited and its associates in the Company will be increased to approximately 52.50% of the issued Shares. Such increase in shareholding will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors do not have any present intention to exercise the Repurchase Mandate to repurchase the Shares to such an extent as would give rise to such an obligation to make a mandatory offer under the Takeovers Code.

The Listing Rules prohibit a company from conducting repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued Shares would be in public hands. The Directors do not propose to exercise the Buy-back Mandate to such extent that the public shareholding would be reduced to less than the prescribed minimum percentage.

SHARE BUY-BACK MADE BY THE COMPANY

The Company has not bought back any Shares during the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

SHARE PRICES

The following table shows the highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date and for the month of May 2022 up to the Latest Practicable Date:

Month	Share Price (per Share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
May	3.060	2.730
June	3.180	2.790
July	2.930	2.240
August	2.500	2.080
September	2.320	2.070
October	2.280	2.000
November	2.060	1.700
December	1.800	1.290
2022		
January	1.840	1.270
February	2.000	1.630
March	1.700	1.280
April	1.550	1.330
May (up to the Latest Practicable Date)	1.510	1.310

The following is a summary of the principal terms of the rules of the Share Option Scheme to be adopted at the Annual General Meeting. It does not form part of, nor is it intended to be part of the rules of the Share Option Scheme. The Directors reserve the right at any time prior to the Annual General Meeting to make such amendments to the Share Option Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any materials aspects with the summary in this Appendix.

1. PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is for the Company to attract, retain and motivate talented Participants to strive for future developments and expansion of the Group and to provide it with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants and for such other purposes as the Board may approve from time to time.

2. BASIS OF ELIGIBILITY OF THE PARTICIPANTS

In determining the basis of eligibility of each Participant, the Board would mainly take into account of the experience of the Participant on the Group's business, the length of service of the Participant with the Group (if the Participant is an employee or a director of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Participant has established with the Group (if the Participant is an agent of any member of the Group), and the amount of support, assistance, guidance, advice, efforts and contributions the Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Participant is likely to be able to give or make towards the success of the Group in the future.

3. CONDITIONS

Operation of the Share Option Scheme is conditional upon: (1) the passing of an ordinary resolution approving the adoption of the Share Option Scheme by the Shareholders at a general meeting and authorising the Directors to grant Options to Participants and to allot and issue Shares pursuant to the exercise of any Options granted under the Share Option Scheme; and (2) the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in any Shares to be issued pursuant to the exercise of Options under the Share Option Scheme.

4. DURATION AND ADMINISTRATION

Subject to the fulfilment of the conditions in paragraph 3 and the termination provisions in paragraph 15, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options will be granted. Subject to the compliance with the provisions of Chapter 17 under the Listing Rules, the provisions of the Share Option Scheme shall remain in full force and effect, and Options which are granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue. The period within which the Shares must be taken up under the Option, must not be more than 10 years from the Share Option Offer Date.

5. GRANT OF OPTIONS

- 5.1 On and subject to the requirements of the Listing Rules and the terms of the Share Option Scheme, the Board shall be entitled at any time and from time to time within 10 years after the Adoption Date to make a Share Option Offer to any Participant as the Board may in its absolute discretion select and subject to such conditions as the Board may at its absolute discretion think fit, to subscribe for such number of Shares as the Board may (subject to paragraphs 9 and 10) determine at the Option Subscription Price pursuant to paragraph 6.
- 5.2 No Share Option Offer shall be made:
- (a) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong) has come to the Company's knowledge until (and including) the trading day after the Company has announced the information in accordance with the Listing Rules; or
 - (b) during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified by the Company to the Stock Exchange in accordance with the Listing Rules) for the approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.
- 5.3 A Share Option Offer shall be made to a Participant by letter (the "**Share Option Offer Letter**") in such form as the Board may from time to time determine specifying the number of Shares, the Option Period, Option Subscription Price and the other relevant terms and conditions of the Option and requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme and all other conditions attaching to the Share Option Offer.
- 5.4 A Share Option Offer must be made on a trading day and shall remain open for acceptance by the Participant concerned for a period of not less than ten Business Days from the date of the Share Option Offer, provided that no Share Option Offer shall be capable of or open for acceptance after the 10th anniversary of the Adoption Date or after the Share Option Scheme has been terminated in accordance with the provisions thereof, whichever is earlier.

- 5.5 A Share Option Offer shall be deemed to have been accepted by the Grantee and the Option to which the Share Option Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the Share Option Offer Letter comprising acceptance of the Share Option Offer duly signed by the Grantee with the number of Shares in respect of which the Share Option Offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company within the period as stipulated above. Such remittance shall in no circumstances be refundable or be considered as part of the Option Subscription Price.

6. OPTION SUBSCRIPTION PRICE

Subject to any adjustments made pursuant to paragraph 11 hereof, the Option Subscription Price shall be a price as determined by the Board in its absolute discretion (and shall be stated in the Share Option Offer Letter) but in any case the Option Subscription Price shall be at least the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Share Option Offer Date, which must be a trading day; and
- (b) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 trading days immediately preceding the Share Option Offer Date.

7. EXERCISE OF OPTIONS

- 7.1 An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so. Any breach of the foregoing shall render all outstanding Options of such Grantee be automatically cancelled and lapsed in accordance with sub-paragraph 8(b).
- 7.2 Unless otherwise determined by the Board and specified in the Share Option Offer Letter at the time of the Share Option Offer, there is neither any performance target that needs to be achieved by the Grantee before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised. An Option may be exercised in whole or in part by the Grantee (or his or her legal personal representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the total Option Subscription Price for the Shares and the remittance in respect of which the notice is given.

- 7.3 Subject to as hereinafter provided and the conditions set out in the Share Option Offer Letter, the Option may be exercised by the Grantee (or his or her legal personal representative(s)) at any time during the Option Period provided that:
- (a) in the event of the Grantee ceases to be a Participant for any reason other than on the Grantee's death or the termination of the Grantee's employment, directorship, office or appointment or engagement on one or more of the grounds specified in sub-paragraph 8(f), the Grantee may exercise the Option up to the Grantee's entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of 3 months following the date of such cessation, which date shall be the last actual working day with the relevant company whether salary is paid in lieu of notice or not, or the last date of office or appointment as an employee, a director or an agent of the relevant company, as the case may be, in the event of which, the date of cessation as determined by a resolution of the board of directors shall be conclusive, or such longer period following the date of cessation as the Board may determine (provided that the retirement of director(s) of the relevant member of the Group at annual general meeting who is/are re-elected at the same meeting shall not be regarded as ceasing employment for the purpose of this sub-paragraph 7.3(a));
 - (b) in the event the Grantee ceases to be a Participant by reason of death before exercising the Option in full and none of the events which would be a ground for termination of the Grantee's employment, directorship, office, appointment or engagement under sub-paragraph 8(f) arises prior to his or her death, the legal personal representative(s) of the Grantee shall be entitled within a period of 6 months from the date of death, to exercise the Option up to the entitlement of such Grantee as at the date of death in whole or in part (to the extent which has become exercisable and not already exercised);
 - (c) in the event of a general offer by way of takeover or otherwise (other than a scheme of arrangement pursuant to sub-paragraph 7.3(d)) is made to all Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, with the terms of the offer having been approved by any relevant regulatory authority and are in accordance with applicable laws and regulatory requirements) and if such offer becomes or is declared unconditional, the Board shall forthwith give the relevant notice to the Grantee of such general offer, and the Grantee (or his or her legal personal representative(s)) shall be entitled to exercise the Option in full (to the extent which has become exercisable and not already exercised) at any time within 14 days after the date on which the offer (or as the case may be, the revised offer) becomes or is declared unconditional;

- (d) in the event of a general offer by way of a scheme of arrangement is made to all Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the expiry of the Option, the Board shall forthwith give the relevant notice to the Grantee of such approval and the Grantee (or, as the case may be, his or her legal personal representatives) shall be entitled to exercise the Option in full (to the extent which has become exercisable and not already exercised) within such time as shall be specified in the notice, after the period of which, the Option (to the extent not already exercised) will lapse automatically;
- (e) in the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees, and thereupon, each Grantee (or where permitted under sub-paragraph 7.3(b) his or her legal personal representative(s)) shall, subject to the provisions of all applicable laws, be entitled to exercise all or any of his Options (to the extent which has become exercisable and not already exercised) at any time not later than 5 Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Option Subscription Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. If such resolution is duly passed, all Options shall, to the extent that they have not been exercised, thereupon cease and determine; and
- (f) in the event of a compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them) in connection with a scheme for the reconstruction or amalgamation of the Company (other than a general offer or a scheme of arrangement contemplated in sub-paragraphs 7.3(c) or (d) above), the Company shall give notice thereof to all Grantees on the same date as or soon after it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement, and thereupon any Grantee (or his or her legal personal representative(s)) may forthwith and until the expiry of the period commencing from such date and ending on the earlier of the date falling 2 calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his or her Options (to the extent which has become exercisable and not already been exercised) but the exercise of the Option shall be conditional upon such compromise or arrangement being sanctioned by the court of

competent jurisdiction and becoming effective. The Company may thereafter require such Grantee (or his or her legal personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of such exercise of his or her Option so as to place the Grantee in the same position as nearly as possible would have been the case had such Shares been subject to such compromise or arrangement.

- 7.4 The Shares to be allotted upon the exercise of an Option will be subject to all the provisions and articles of association of the Company and the Companies Ordinance for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the date of their allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions to be paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment and issue, provided always that when the date or exercise of the Option falls on a date upon which the register of members is closed then the exercise of the Option shall become effective on the first Business Day in Hong Kong on which the register of Shareholders is re-opened. A Share allotted upon the exercise of an Option, however, shall not carry any voting right until the completion of the registration of the Grantee as the holder thereof.
- 7.5 The outstanding Options granted may not be exercised if all or part of the exercise of the Option will result in the holding of the total issued Shares by the public falling below 25% (or such other percentage stipulated under the Listing Rules).
- 7.6 In the event the Grantee has been suspended from his duties or performance of the relevant contract of employment, directorship, appointment or engagement by the relevant member of the Group, no Option can be exercised until such suspension has been lifted

8. LAPSE OF OPTION

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period (subject to paragraphs 4 and 15);
- (b) the date on which the Grantee commits a breach of sub-paragraph 7.1;
- (c) the expiry of the periods referred to in sub-paragraph 7.3(a), (b), (c) or (d);
- (d) subject to sub-paragraph 7.3(e), the date of the commencement of the winding-up of the Company;

- (e) subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in sub-paragraph 7.3(f); and
- (f) the date on which the Grantee ceases to be a Participant by reason of the termination of his employment, directorship, office, appointment or engagement on the grounds that he has been guilty of misconduct, or has been in breach of material term of the relevant employment contract, service contract, agency contract or engagement contract (as the case may be), or appears either to be unable to pay or have no reasonable prospect to be able to pay debts within the meaning of any applicable legislation in relation to bankruptcy or insolvency, or has become bankrupt or insolvent, or has been served a petition for bankruptcy or winding up, or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board or the board of directors of the relevant company, as the case may be) on any other ground on which an employer, or an engaging party would be entitled to terminate his employment, directorship, office, appointment or engagement at common law or pursuant to any applicable laws or under the Grantee's employment, service, agency or engagement contract (as the case may be) with the relevant company (as the case may be) or the employment, directorship, office, appointment or engagement of the Grantee is terminated by the relevant company pursuant to the contract thereof without notice, in the event of which a resolution of the board of directors of the relevant member of the Group (as the case may be) to the effect that the employment, directorship, office, appointment or engagement of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph 8(f) shall be conclusive and binding.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

9.1 Subject to the Listing Rules:

- (a) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of the Company shall not exceed 386,799,167, representing 10% of the total number of Shares in issue on the Adoption Date (the "**Scheme Mandate Limit**"), unless the Company seeks the approval of the Shareholders in general meeting for refreshing the Scheme Mandate Limit in accordance with sub-paragraph 9.1(b) provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.

- (b) The Company may seek approval of its Shareholders in general meeting for refreshing the Scheme Mandate Limit such that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval of the Shareholders on the refreshment of the Scheme Mandate Limit provided that Options previously granted under the Share Option Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes or exercised options) will not be counted for the purpose of calculating such limit as refreshed. For the purpose of seeking the approval of Shareholders under this sub-paragraph 9.1(b), a circular containing the information required under the Listing Rules must be sent to the Shareholders.
- (c) The Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided that the proposed Grantee(s) of such Option(s) must be specifically identified by the Company before such approval is sought. For the purpose of seeking the approval of the Shareholders under this sub-paragraph 9.1(c), the Company must send a circular to the Shareholders containing, amongst other terms, a generic description of the specified proposed Grantees of such Options, the number and terms of the Options to be granted, the purpose of granting such Options to the proposed Grantees with an explanation as to how the terms of Options serve such purpose and the information as required under the Listing Rules.
- 9.2 Notwithstanding any provision in paragraph 9.1 but subject to paragraph 9.3, the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the Share Option Scheme and any other share option schemes of the Company if this will result in such limit set out in this sub-paragraph 9.2 being exceeded.
- 9.3 The Company may grant Options beyond any of the limits as set out in paragraphs 9.1 and 9.2 above to such extent as may be permitted under the Listing Rules from time to time.

10. MAXIMUM ENTITLEMENT OF SHARES OF EACH PARTICIPANT

- 10.1 (a) Subject to sub-paragraphs 10.1(b), (c) and (d), the total number of Shares issued and to be issued upon exercise of the Options granted to each Participant (including exercised, cancelled and outstanding Options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
- (b) Notwithstanding sub-paragraph 10.1(a), where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant under the Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Participant and his Close Associates (or his Associates if the Participant is a connected person within the meaning of the Listing Rules) abstaining from voting. The number and terms (including the Option Subscription Price) of the Options to be granted to such Participant shall be fixed before the Shareholders' approval and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Option Subscription Price. In such a case, the Company shall send a circular to its Shareholders containing, amongst other terms, the identity of such Participant, the number and the terms of the Options to be granted (and options previously granted to such Participant) and such other information as required under the Listing Rules.
- (c) In addition to paragraph 9 and sub-paragraphs 10.1(a) and 10.1(b), any grant of Options to a Participant who is a Director, chief executive or substantial shareholder of the Company or their respective Associates must be approved by the independent non-executive Directors or the Remuneration Committee (excluding any director who is a proposed Grantee of the relevant Options) and shall comply with the requirements of Rule 17.04 of the Listing Rules.
- (d) In addition to paragraph 9 and sub-paragraphs 10.1(a) and 10.1(b), where the Board proposes to grant any Option to a Participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective Associates, which would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme and any other share option schemes of the Company (including options exercised, cancelled and outstanding) to him in the 12-month period up to and including the date of such grant:
- (i) representing in aggregate more than 0.1% of the total number of Shares in issue; and

- (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000,

such further proposed Share Option Offer is subject to the approval of Shareholders in general meeting with such Participant and his Associates and all core connected persons of the Company (which has the meaning ascribed to it under the Listing Rules) abstaining from voting in favour of the resolution at such general meeting and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such Options must be taken on a poll.

- 10.2 In the event of any alteration in the capital structure of the Company whether by way of a capitalisation issue, rights issue, subdivision or consolidation of shares or reduction of the share capital of the Company (other than an alteration of share capital as a result of an issue of Shares as consideration in a transaction), the maximum number of Shares referred to in sub-paragraphs 9.1, 9.2, 9.3 and 10.1 will be adjusted in such manner as stated in paragraph 11, which, in all cases of adjustments other than that made on a capitalisation issue, shall be confirmed by an independent financial adviser or the Auditors (acting as experts and not as arbitrators) to the Directors in writing to satisfy the requirements as stated in paragraph 11 below.

11. ALTERATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of a capitalisation issue, rights issue, subdivision or consolidation of shares or reduction of the share capital of the Company (other than an alteration of share capital as a result of an issue of Shares as consideration in respect of a transaction), the Company will adjust (if any):

- (i) the number of Shares subject to the Option so far as unexercised;
- (ii) the Option Subscription Price; and/or
- (iii) the maximum number of Shares for which further Options may be granted under this Share Option Scheme,

provided that, following such adjustment, the proportion of the issued share capital of the Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers in relation to share option scheme, the Listing Rules and such applicable codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange) which the Grantee is entitled to subscribe for pursuant to each Option shall be the same as immediately before such adjustment.

Any adjustment required by this paragraph 11, other than as a result of a capitalisation issue, shall be subject to a written confirmation to the Directors by an independent financial adviser or Auditors that such adjustment satisfies the requirements of the foregoing provision. The capacity of the independent financial adviser or the Auditors in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the Auditors shall be borne by the Company.

12. DISPUTES

Any dispute arising in connection with the Share Option Scheme (whether as to the number of Shares subject to an Option, the amount of the Option Subscription Price or otherwise) shall be referred to the decision of the Board whose decision shall be final, conclusive and binding.

13. ALTERATION OF THE SHARE OPTION SCHEME

13.1 The provisions of the Share Option Scheme as to:

- (a) the definitions of “Grantee”, “Option Period” and “Participant”; and
- (b) provisions of the Share Option Scheme as mentioned in paragraphs 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15 and this paragraph 13 and as to all such matters set out in Rule 17.03 of the Listing Rules,

shall not be altered to the advantage of the Participants except with the prior approval of the Shareholders in general meeting.

13.2 Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of the Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

13.3 The amended terms of the Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

13.4 Any change to the authority of the Board or scheme administrators in relation to any alteration to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.

14. CANCELLATION OF THE OPTIONS GRANTED

Subject to paragraph 7.3, the Board may at any time at its absolute discretion cancel any Option granted but not exercised. Where the Company cancels Options and new Options are to be issued to the same Option holder, the issue of such new Options may only be made under the Share Option Scheme with available unissued Options (to the extent not yet granted and excluding the cancelled Options) within the limit approved by the Shareholders as mentioned in paragraph 9.

15. TERMINATION OF THE SHARE OPTION SCHEME

The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect. Upon such termination, details of the Options granted (including options exercised or outstanding) under the Share Option Scheme are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking approval of the first new scheme established thereafter. All outstanding Options granted before termination of the Share Option Scheme shall continue to be valid and exercisable for a period of 6 months from the date of the termination of the Share Option Scheme in accordance with the Share Option Scheme.

16. MISCELLANEOUS

The Share Option Scheme and all Options granted hereunder shall be governed by and construed in accordance with the Listing Rules and the laws of Hong Kong in force from time to time.

NOTICE OF ANNUAL GENERAL MEETING



云 鋒 金 融

Yunfeng Financial Group Limited

雲 鋒 金 融 集 團 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 376)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Yunfeng Financial Group Limited (the “**Company**”) will be held at 5/F, China Evergrande Centre, 38 Gloucester Road, Wanchai, Hong Kong on Tuesday, 28 June 2022 at 3:00 p.m., or in the event that a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted at 12:00 noon or any time after 12:00 noon on that day, at the same time and place on the first Business Day (as defined in note (i) below) after 28 June 2022, for the following purposes:

1. To receive, consider and adopt the audited Financial Statements, the Report of the Directors and the Independent Auditor’s Report for the year ended 31 December 2021.
2. (a) each as a separate resolution, to re-elect the following retiring directors of the Company:
 - (1) to re-elect Mr. Adnan Omar Ahmed as a non-executive director;
 - (2) to re-elect Mr. Michael James O’Connor as a non-executive director;
 - (3) to re-elect Mr. Xiao Feng as an independent non-executive director;
- (b) To authorize the board of directors of the Company (the “**Board**”) to fix the directors’ remuneration.
3. To re-appoint KPMG as the independent auditor of the Company and to authorize the Board to fix their remuneration.

As special business, to consider and, if thought fit, pass, with or without modifications, the following resolutions which will be proposed as ordinary resolutions:

NOTICE OF ANNUAL GENERAL MEETING

ORDINARY RESOLUTIONS

4. “THAT:
- (i) subject to paragraph (iii) below and pursuant to Sections 140 and 141 of the Companies Ordinance, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with any additional shares of the Company and to make or grant offers, agreements, options and other rights or issue warrants which may require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (ii) the approval in paragraph (i) above shall authorize the Directors during the Relevant Period to make or grant offers, agreements, options and other rights or issue warrants which may require the exercise of the powers of the Company referred to in that paragraph at any time during or after the end of the Relevant Period;
 - (iii) the total number of additional shares of the Company which may be allotted, issued or otherwise dealt with by the Directors during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to a Rights Issue (as hereinafter defined) or an issue of shares pursuant to the exercise of subscription rights attaching to any warrants issued by the Company or of any options which may be granted under any share option scheme or any other option scheme or similar arrangement for the time being adopted for the grant or issue to the grantees as specified in such scheme or similar arrangement of shares or rights to acquire shares or any scrip dividend schemes or similar arrangements providing for the allotment and issue of shares in lieu of the whole or part of a dividend on shares in accordance with the articles of association of the Company or a specific authority granted by the shareholders of the Company in general meeting, shall not exceed 20% of the total number of shares of the Company in issue as at the date of passing this resolution, and the said approval shall be limited accordingly provided that if any subsequent consolidation or subdivision of shares of the Company is effected, the maximum number of shares that may be allotted and issued pursuant to the said approval as a percentage of the total number of issued shares of the Company immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares of the Company shall be adjusted accordingly, and the said approval shall be limited accordingly;
 - (iv) for the purpose of this resolution:
 - (a) “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
 - (1) the conclusion of the next annual general meeting of the Company;

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- (2) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or by law to be held; and
 - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in a general meeting; and
 - (b) “Rights Issue” means an offer of shares of the Company or an offer of warrants, options or other securities giving rights to subscribe for shares of the Company, open for a period fixed by the Directors, to holders of shares of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their holdings of shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”
5. **“THAT:**
- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy back shares on The Stock Exchange of Hong Kong Limited be and is hereby generally and unconditionally approved;
 - (ii) the total number of shares of the Company which may be bought back pursuant to the approval in paragraph (i) above shall not exceed 10% of the total number of shares in issue as at the date of passing this resolution, and the said approval shall be limited accordingly provided that if any subsequent consolidation or subdivision of shares is effected, the maximum number of shares that may be bought back pursuant to the said approval as a percentage of the total number of issued shares immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares shall be adjusted accordingly;
 - (iii) for the purpose of this resolution:
 - (a) “Relevant Period” means the period from the passing of this resolution until whichever is the earlier of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or by law to be held; and

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- (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in a general meeting; and
 - (b) “Shares” means shares of all classes of the Company and warrants and other securities issued by the Company which carry a right to subscribe or purchase shares of the Company.”
- 6. “**THAT** conditional upon the passing of Ordinary Resolutions No. 4 and No. 5 set out above, the general mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company and to make, issue or grant offers, agreements, options and/or warrants which might require the exercise of such powers in accordance with Ordinary Resolution No. 4 above be and is hereby extended by the addition to the total number of shares of the Company (which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors) pursuant to such general mandate, an amount representing the total number of shares of the Company bought back by the Company pursuant to the exercise by the Directors in accordance with Ordinary Resolution No. 5 above of the powers of the Company to buy back such shares, provided that such extended number shall not exceed 10% of the total number of shares of the Company in issue as at the date of passing this resolution (such total number to be subject to adjustment in the case of any consolidation or subdivision of any of shares of the Company into a smaller or larger number of shares of the Company respectively after the passing of this resolution).”
- 7. “**THAT**, subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval for the listing of, and permission to deal in, the shares of the Company (“**Shares**”) which may fall to be issued and allotted pursuant to the exercise of any options which may be granted under the new share option scheme of the Company (the “**Share Option Scheme**”), the rules of which are contained in the document marked “A” produced to this meeting and signed by the chairman of this meeting for identification purpose, the Share Option Scheme be and is hereby approved and adopted and the directors of the Company be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the directors of the Company may consider necessary, desirable or expedient to effect and implement the Share Option Scheme, including without limitation,
 - a. administering the Share Option Scheme under which options will be granted to participants eligible under the Share Option Scheme to subscribe for Shares;

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- b. modifying and/or amending the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”);
- c. granting options to subscribe for Shares under the Share Option Scheme and allotting and issuing from time to time such number of Shares as may be required to be issued pursuant to the exercise of the options that may be granted under the Share Option Scheme and subject to the Listing Rules;
- d. making application at the appropriate time or times to the Stock Exchange, and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for the listing of, and permission to deal in, any new shares of the Company or any part thereof that may hereafter from time to time be allotted and issued pursuant to the exercise of the options granted under the Share Option Scheme; and
- e. consenting, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Share Option Scheme.”

By Order of the Board

Yunfeng Financial Group Limited

Cheung David

Executive Director, Vice Chairman and Chief Executive Officer

Hong Kong, 2 June 2022

Notes:

- (i) “Business Day” means any day (excluding Saturday) on which no black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted or remains hoisted at 12:00 noon on that day and on which banks in Hong Kong are generally open for business. If a black rainstorm warning or a tropical cyclone warning signal number 8 or above is hoisted at 12:00 noon or any time after 12:00 noon on 28 June 2022, the annual general meeting of the Company will not be held on that day but will be held at the same time and place on the first Business Day after 28 June 2022 instead.
- (ii) A member of the Company entitled to attend and vote at the above meeting shall be entitled to appoint one or more proxies to attend, speak and, on a poll, vote instead of him, provided that each proxy is appointed to represent the respective number of shares held by the shareholder as specified in the relevant proxy form. A proxy need not be a member of the Company but must attend in person to represent you.
- (iii) In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the register in respect of the joint holding.
- (iv) To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) must be deposited at the share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof.

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- (v) To ascertain the shareholders' entitlement to attend and vote at the annual general meeting of the Company, the register of members of the Company will be closed from Thursday, 23 June 2022 to Tuesday, 28 June 2022 inclusive during which period no share transfers can be registered. In order to be eligible to attend and vote at the annual general meeting of the Company, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 22 June 2022.
- (vi) A circular giving details of the resolutions to be dealt in annual general meeting of the Company will be despatched to the shareholders on 2 June 2022. The biographical details of the retiring Directors who are proposed to be re-elected at the above meeting are set out in Appendix I to the circular.
- (vii) This notice is also available for viewing on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at www.yff.com from 2 June 2022.
- (viii) As at the date of this notice, the Board is comprised of nine Directors, of which Mr. Yu Feng is Chairman and non-executive Director, Mr. Cheung David is Vice Chairman, Chief Executive Officer and executive Director, Mr. Huang Xin and Ms. Hai Olivia Ou are executive Directors, Mr. Adnan Omar Ahmed and Mr. Michael James O'Connor are non-executive Directors and Mr. Qi Daqing, Mr. Chu Chung Yue, Howard and Mr. Xiao Feng are independent non-executive Directors.