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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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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,
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 Friday, 16 June 2023 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 16 June 2023, is set out on pages 15 to 19 of this circular. 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 (excluding any part of a day that is a public holiday) 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. In such event, the proxy form shall be deemed to be revoked.

No corporate gifts or refreshments will be provided at the AGM to reduce close contact between attendees. Attendees of the AGM are reminded to follow any precautionary measures that may be imposed in accordance with prevailing guidelines published by the Hong Kong SAR Government and regulatory authorities (if any). The Company reminds Shareholders that they may appoint the chairman of the AGM as their proxy instead of attending the AGM in person.

Hong Kong, 25 May 2023

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.

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DEFINITIONS

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

“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 Friday, 16 June 2023 at 3:00 p.m., or any adjournment thereof, the notice of which is set out on pages 15 to 19 of this circular
“Articles of Association”	the articles of association of the Company as altered from time to time
“Audit Committee”	the audit committee of the Company
“Auditors”	the auditors of the Company for the time being
“Board”	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
“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
“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

DEFINITIONS

“Latest Practicable Date”	18 May 2023, 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)
“Nomination Committee”	the nomination committee of the Company
“Notice of Annual General Meeting”	the notice convening the Annual General Meeting
“Ordinary Resolution(s)”	the proposed ordinary resolution(s) in respect of the special business as referred to in the Notice of Annual General Meeting
“PRC”	the People’s Republic of China
“Remuneration Committee”	the remuneration committee of the Company
“Share(s)”	means the fully 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
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Code on Takeovers and Mergers
“%”	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 Director:

Mr. Huang Xin *(Interim Chief Executive Officer)*

Non-executive Directors:

Mr. Adnan Omar Ahmed

Mr. Michael James O'Connor

Ms. Hai Olivia Ou

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

25 May 2023

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
GENERAL MANDATES TO ISSUE SHARES
AND BUY BACK SHARES,
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 and

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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 2022

The 2022 annual report incorporating the audited financial statements, the report of the Directors and independent auditor's report for the year ended 31 December 2022 was sent to the Shareholders on 26 April 2023. The audited financial statements have been reviewed by the Audit Committee.

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

As at the Latest Practicable Date, the executive Director is Mr. Huang Xin; the non-executive Directors are Mr. Yu Feng, Mr. Adnan Omar Ahmed, Mr. Michael James O'Connor and Ms. Hai Olivia Ou; 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, Ms. Hai Olivia Ou ("**Ms. Hai**"), Mr. Qi Daqing ("**Mr. Qi**") and Mr. Chu Chung Yue, Howard ("**Mr. Chu**") shall retire by rotation at the Annual General Meeting. The retiring Directors, being eligible, offer themselves for re-election.

Mr. Qi and Mr. Chu, being the independent non-executive Directors of the Company, have made their respective annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. After considering all the factors for assessing independence as set out in Rule 3.13 of the Listing Rules and the annual confirmation of independence of Mr. Qi and Mr. Chu, the Nomination Committee and the Board are of the view that each of Mr. Qi and Mr. Chu meets the independence guidelines set out in Rule 3.13 of the Listing Rules and consider them to be independent in accordance with the terms of the guidelines. The Nomination Committee and the Board are also not aware of any circumstance that might influence Mr. Qi and Mr. Chu in exercising independent judgment.

Mr. Chu has served as an independent non-executive Director for more than 9 years. He has a thorough understanding of the Company's operations and business. As an independent non-executive Director, he has expressed objective views and exercised independent judgment in fulfilling his duties to the Company during his directorship, and he continued demonstrating a firm commitment to his roles. During his directorship, Mr. Chu has provided valuable and constructive advice to the Group but has never been engaged in any executive or management role in the Group. In view of the above, the Nomination Committee considers that the long service of Mr. Chu would not affect his exercise of independent judgment and believes that he is in compliance with Rule 3.13 of the Listing Rules.

LETTER FROM THE BOARD

In reviewing the structure of the Board, the Nomination Committee have followed the nomination policy and board diversity policy of the Company and considered the re-election of the above retiring Directors from a number of aspects, including but not limited to professional qualifications and experience, cultural and educational background, gender, age and length of service. At the meeting of the Board held on 30 March 2023, the Board has agreed with the recommendation from the Nomination Committee, and 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. The Directors who are also members of Nomination Committee each abstained from voting on the resolution in relation to the re-election of himself as a Director. The Board considers that the re-election of Ms. Hai as a non-executive Director, Mr. Qi and Mr. Chu as independent non-executive Directors is in the best interest of the Company and the Shareholders as a whole. The re-election of the retiring Directors is subject to separate resolutions to be approved by the Shareholders at the Annual General Meeting in accordance with the code provisions of the corporate governance code as set out in Appendix 14 to the Listing Rules.

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) 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.

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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).

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.

2. ANNUAL GENERAL MEETING

The Notice of Annual General Meeting is set out on pages 15 to 19 of this circular to consider the resolutions nos. 1 to 6.

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 (excluding any part of a day that is a public holiday) 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 Tuesday, 13 June 2023 to Friday, 16 June 2023 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 Monday, 12 June 2023.

LETTER FROM THE BOARD

4. RECOMMENDATION

The Directors consider that the proposed resolutions set out in the notice of the Annual General Meeting 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.

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

Huang Xin

Executive Director and Interim Chief Executive Officer

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

1. **Ms. Hai Olivia Ou (“Ms. Hai”)**, aged 43, was appointed as a non-executive Director in November 2015, and was re-designated as an executive Director and appointed as interim chief executive officer in February 2020, and was re-designated as a non-executive Director in August 2022. She has ceased to be the interim chief executive officer of the Company in October 2020. Ms. Hai had served as a managing director of Yunfeng Capital and specialises in investments and management related to the financial services industry, especially for investments in Internet Finance and strategic management in insurance company. Prior to joining Yunfeng Capital, Ms. Hai was an actuarial partner at Deloitte China from 2012 and was engaged in the provision of consulting services to overseas and domestic insurance companies. Ms. Hai had also worked at HSBC Insurance (Asia) Limited in Hong Kong from 2010 to 2012 and PricewaterhouseCoopers LLP in the United Kingdom from 2002 to 2010.

Ms. Hai is a qualified fellow member of the Institute and Faculty of Actuaries in the United Kingdom and a fellow member of the China Association of Actuaries.

Save as disclosed, Ms. Hai 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, Ms. Hai 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, Ms. Hai had no relationship with any Directors, senior management of the Company or substantial or controlling Shareholders.

Ms. Hai 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 2022, the total remuneration that Ms. Hai entitled was approximately HK\$103,645. Nevertheless, she is entitled to receive discretionary remuneration or other benefits as may be decided by the Board and reviewed by the Remuneration Committee from time to time, having regard to the Company’s performance and profitability, her duties and performance and the prevailing market conditions.

Save as disclosed above, in relation to the re-election of Ms. Hai 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. Qi Daqing (“Mr. Qi”)**, aged 58, was appointed as an independent non-executive Director, and a member of the Audit Committee, Nomination Committee and Remuneration Committee in February 2016. In March 2019, Mr. Qi was appointed as the chairman of the Remuneration Committee. Mr. Qi is currently a professor of Cheung Kong Graduate School of Business where he previously served as director and associate dean of the executive master of business administration department. Mr. Qi’s research interests primarily focus on financial accounting, financial reporting and their impact on corporate business strategy. Mr. Qi has published many articles in accounting and finance journals. Mr. Qi worked at The Chinese University of Hong Kong and the Feature Syndicate of the Department of Home News for Overseas, Xinhua News Agency prior to joining Cheung Kong Graduate School of Business in 2002.

Currently Mr. Qi serves as independent director of Sohu.com Inc. (NASDAQ: SOHU) and Momo Inc. (NASDAQ: MOMO), all of which are listed on NASDAQ; and independent non-executive director of Haidilao International Holdings Limited (stock code: 06862), Bison Finance Group Limited (stock code: 00888) and SinoMedia Holding Limited (stock code: 00623), all of which are listed on the Stock Exchange. Mr. Qi served as an independent non-executive director of Honghua Group Limited (stock code: 00196) from 18 January 2008 to 1 January 2018, a company listed on the Stock Exchange, an independent non-executive director of Dalian Wanda Commercial Properties Co., Ltd. (stock code: 03699) from 29 January 2016 to 20 September 2016, a company delisted from the Stock Exchange on 20 September 2016, and an independent non-executive director of Jutal Offshore Oil Services Limited (stock code: 03303) from 31 July 2015 to 27 April 2022. Mr. Qi had also been an independent director of Focus Media Holding Limited (NASDAQ: FMCN) and AutoNavi Holdings Ltd. (NASDAQ: AMAP), all of which were listed on NASDAQ, an independent director of Bona Film Group Limited and iKang Healthcare Group, Inc. which were listed on NASDAQ and ceased to be public companies, and an independent director of China Vanke Co., Ltd. (a company listed on the Shenzhen Stock Exchange, stock code: 000002; and listed on the Stock Exchange, stock code: 02202).

Mr. Qi graduated with a doctoral degree in accounting from The Eli Broad Graduate School of Management of Michigan State University in the U.S.A. in 1996. He also obtained a master’s degree in management from University of Hawaii in the U.S.A in 1992 and dual bachelor’s degrees (in biophysics and international news) from Fudan University in 1985 and 1987 respectively.

Save as disclosed, Mr. Qi 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. Qi 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. Qi had no relationship with any Directors, senior management of the Company or substantial or controlling Shareholders.

Mr. Qi 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 2022, the total remuneration that Mr. Qi entitled was approximately HK\$252,000. Nevertheless, he is entitled to received discretionary bonus as may be determined by the Board and reviewed by the Remuneration Committee 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. Qi 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. Chu Chung Yue, Howard (“Mr. Chu”)**, aged 74, was appointed as an independent non-executive Director, the chairman of the Audit Committee and a member of the Remuneration Committee and the Nomination Committee in August 2011. Mr. Chu was the vice president, Asia and chief representative, China of Teck Resources Limited. Mr. Chu was responsible for the development of an Asian strategy for the company, monitoring China's economic performance and promoting business development opportunities in China. Mr. Chu held various positions including corporate controller for Teck Resources Limited from 1978 to 2007 and was the vice president, Asia and chief representative, China from 2007 to April 2011.

Mr. Chu serves as an independent non-executive director of Grandshores Technology Group Limited (stock code: 01647), a company listed on the Stock Exchange.

Mr. Chu holds a bachelor's degree in commerce from University of British Columbia and was a member of the Chartered Professional Accountants of Canada.

Save as disclosed, Mr. Chu 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. Chu 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. Chu had no relationship with any Directors, senior management of the Company or substantial or controlling Shareholders.

Mr. Chu 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 2022, the total remuneration that Mr. Chu entitled was approximately HK\$378,000. Nevertheless, he is entitled to received discretionary bonus as may be determined by the Board and reviewed by the Remuneration Committee 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. Chu 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 of the Company 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 2022) 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 2023 up to the Latest Practicable Date:

Month	Share Price (per Share)	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2022		
May	1.510	1.310
June	1.570	1.350
July	1.510	1.320
August	1.400	1.220
September	1.250	0.990
October	1.040	0.790
November	1.190	0.670
December	1.180	1.000
2023		
January	1.630	1.070
February	1.500	1.130
March	1.440	1.140
April	1.250	1.110
May (up to the Latest Practicable Date)	1.230	1.110

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 Friday, 16 June 2023 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 16 June 2023, 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 2022.
2. (a) each as a separate resolution, to re-elect the following retiring directors of the Company:
 - (1) to re-elect Ms. Hai Olivia Ou as a non-executive director;
 - (2) to re-elect Mr. Qi Daqing as an independent non-executive director;
 - (3) to re-elect Mr. Chu Chung Yue, Howard as an independent non-executive director;
- (b) To authorize the board of Directors (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:

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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;

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- (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;
 - (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;

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- (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
 - (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).”

By Order of the Board
Yunfeng Financial Group Limited
Huang Xin
Executive Director and Interim Chief Executive Officer

Hong Kong, 25 May 2023

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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 16 June 2023, 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 16 June 2023 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 notorially 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 (excluding any part of a day that is a public holiday) before the time appointed for the holding of the above meeting or any adjournment thereof.
- (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 Tuesday, 13 June 2023 to Friday, 16 June 2023 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 Monday, 12 June 2023.
- (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 25 May 2023. 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 25 May 2023.
- (viii) As at the date of this notice, the Board is comprised of eight Directors, of which Mr. Yu Feng is Chairman and non-executive Director, Mr. Huang Xin is executive Director and Interim Chief Executive Officer, Mr. Adnan Omar Ahmed, Mr. Michael James O’Connor and Ms. Hai Olivia Ou are non-executive Directors, Mr. Qi Daqing, Mr. Chu Chung Yue, Howard and Mr. Xiao Feng are independent non-executive Directors.