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JF SmartInvest Holdings Ltd

九方智投控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 9636)

PROFIT WARNING

This announcement is made by JF SmartInvest Holdings Ltd (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Directors**”) of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary assessment by the Company’s management of the unaudited consolidated management accounts of the Group for the six months ended June 30, 2024 (the “**Reporting Period**”) and the current information available to the Board: the Group is expected to record a net loss attributable to the Shareholders for the Reporting Period in the range between approximately RMB170 million to RMB180 million, as compared to the net loss attributable to the Shareholders of approximately RMB38 million for the corresponding period in 2023.

The Board considers that the anticipated change in net loss for the Reporting Period was mainly attributable to the following factors:

1. Increase in operating expenses

The operating expenses increased by approximately RMB102 million in the Reporting Period, representing an increase of approximately 11% as compared to the corresponding period in 2023. The increase was mainly due to: a) the Company actively explores investment advisory models in the financial industry and expands new business lines; b) the Company comprehensively promotes the transformation of “digital intelligence” and continues to increase investment in R&D; and c) the Company strengthens the construction of investment research capabilities and continuously improves the existing product system. Such business transformation and expansion also requires significant investment in professional talents and venues.

2. Loss in investments

Affected by the fluctuations of the domestic securities market, some equity wealth management products purchased by the Group did not generate positive returns. Although the Group has adjusted its investment strategy in a timely manner and taken measures such as redemption to cut losses, the overall performance of our investments in wealth management products is still unsatisfactory, and the net loss on financial assets measured at fair value through profit or loss is expected to reach approximately RMB95 million during the Reporting Period.

3. The share-based compensation expenses

Pursuant to a resolution of the Board dated June 1, 2021, the Company adopted a restricted share unit scheme (the “**Pre-IPO RSU Scheme**”).

In accordance with the relevant accounting principles, the Company shall account for the grant of the shares as personnel cost in its general and administrative expenses based on the fair value of the shares granted. The aforesaid fair value was assessed after taking into account the offer price of the Company’s shares in the global offering of the Company, the expected dividends to be received during the vesting period as well as other important inputs by an external valuer. The Group also made an estimation of the expected retention rates of the candidates at the end of the respective vesting periods of the shares granted in order to determine the amount of share-based compensation expenses charged to the consolidated statement of comprehensive income.

As such, an amount of approximately RMB21 million was charged as share-based compensation expenses in the Group’s consolidated statement of comprehensive income for the Reporting Period.

As the Company is still in the process of finalizing the interim results of the Group for the Reporting Period, the information contained in this announcement is based only on the current information available to the Board and the preliminary assessment by the Board upon its review of the unaudited consolidated management accounts of the Group, which have not been audited nor reviewed by the Company’s independent auditor or the audit committee of the Company. Therefore, the unaudited consolidated interim results of the Group for the Reporting Period are subject to changes and may differ from the information contained in this announcement. The financial results of the Company for the Reporting Period and other operating details of the Group will be disclosed in the interim results announcement of the Company, which is expected to be released by the end of August 2024.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company, and should note that undue reliance on or use of the above information may cause investment risks.

By order of the Board
JF SmartInvest Holdings Ltd
CHEN Wenbin
Chairman of the Board

Hong Kong, China, August 2, 2024

As at the date of this announcement, the executive Directors are Mr. CHEN Wenbin, Mr. CHEN Jigeng and Mr. ZHANG Peihong, the non-executive Directors are Mr. YAN Ming and Ms. CHEN NINGFENG and the independent non-executive Directors are Dr. ZHAO Guoqing, Mr. FAN Yonghong and Mr. TIAN Shu.