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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)**

### **PROFIT WARNING**

The announcement is made by Yunfeng Financial Group Limited (the “**Company**”) and its subsidiaries (collectively the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571, the Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the Company’s preliminary unaudited assessment for the six months ended 30 June 2018 (the “**2018 Interim**”), the Group is expected to record a net loss attributable to equity shareholders of the Company for the 2018 Interim of an amount in excess of HK\$185 million, whereas the net loss attributable to equity shareholders of the Company for the six months ended 30 June 2017 (the “**Prior Period**”) was HK\$236 million.

The Group’s major revenue includes subscription fees and management fees for products launched by the Group, platform fees for distribution of third-parties products, administration fee for employees stock ownership plan management services, brokerage commission income and corporate advisory fee income, etc. The Group is still in the process of building its client base and scale of asset under management. The amortization expense in relation to share awards granted by the Company, amounted to HK\$112 million is recorded in 2018 Interim, whereas HK\$44 million was recorded in Prior Period. Taking into account the abovementioned factors, the Group recorded a net loss in 2018 Interim.

If excluding the amortization expense in relation to share awards granted by the Company, the net loss attributable to equity shareholders of the Company for 2018 Interim would be an estimated amount of HK\$73 million (Prior Period: HK\$192 million)

representing a significant decrease of HK\$119 million or 62% compared to the Prior Period.

Although the net loss recorded in 2018 Interim, the financial position of the Group remains strong. The unaudited net asset value as at 30 June 2018 is more than HK\$3,900 million. In addition, the Group does not have any external borrowing as at 30 June 2018.

The above 2018 interim results of the Company are based on preliminary estimates which have not yet been reviewed by the audit committee of the Company and the independent auditor of the Company. If the Company's future estimates differ materially from above estimates, the Company will provide updates on a timely basis. For further details of the Group's results, shareholders of the Company and potential investors should read the announcement for the Group's interim results, which is expected to be published before the end of August 2018.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

By Order of the Board  
**Yunfeng Financial Group Limited**  
**Li Ting**  
*Executive Director and Chief Executive Officer*

Hong Kong, 27 July 2018

As at the date of this announcement, the Board comprises Mr. Yu Feng (who is Chairman and non-executive director), Ms. Li Ting and Mr. Huang Xin (who are executive directors), Mr. Ko Chun Shun, Johnson and Ms. Hai, Olivia Ou (who are non-executive directors), and Mr. Lin Lijun, Mr. Qi Daqing and Mr. Chu Chung Yue, Howard (who are independent non-executive directors).