
THE CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 accountant 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



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)

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 Suites 3205-3208, One Exchange Square, 8 Connaught Place, Central, Hong Kong on Wednesday, 21 June 2017 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 21 June 2017, is set out on pages 16 to 20 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.

Hong Kong, 19 May 2017

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.

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	
1. INTRODUCTION	3
RESOLUTION NO. 1: ADOPTION OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016	4
RESOLUTION NO. 2: RE-ELECTION OF DIRECTORS AND AUTHORIZATION OF FIXING DIRECTORS' REMUNERATION	4
RESOLUTION NO. 3: RE-APPOINTMENT OF INDEPENDENT AUDITOR	5
RESOLUTIONS NOS. 4 TO 6: GENERAL MANDATES TO ISSUE SHARES AND BUY BACK SHARES	5
2. ANNUAL GENERAL MEETING	6
3. CLOSURE OF REGISTER OF MEMBERS	6
4. RECOMMENDATION	7
5. GENERAL INFORMATION	7
APPENDIX I — DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION	8
APPENDIX II — EXPLANATORY STATEMENT ON THE BUY-BACK MANDATE	13
NOTICE OF ANNUAL GENERAL MEETING	16

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Suites 3205-3208, One Exchange Square, 8 Connaught Place, Central, Hong Kong on Wednesday, 21 June 2017 at 3:00 p.m., or any adjournment thereof, the notice of which is set out on pages 16 to 20 of this circular
“Articles of Association”	the articles of association of the Company as altered from time to time
“Board”	the board of Directors
“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
“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	12 May 2017, 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
“Notice of Annual General Meeting”	the notice convening the Annual General Meeting

DEFINITIONS

“Ordinary Resolution”	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
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of Share(s)
“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 Directors:

Ms. Li Ting *(Chief Executive Officer)*

Mr. Huang Xin

Registered Office:

Suites 3201-3204

One Exchange Square

8 Connaught Place

Central

Hong Kong

Non-executive Directors:

Mr. Ko Chun Shun, Johnson

Ms. Hai Olivia Ou

Mr. Huang Youlong

Independent Non-executive Directors:

Mr. Lin Lijun

Mr. Qi Daqing

Mr. Chu Chung Yue, Howard

Dr. Wong Yau Kar, David, *BBS, JP*

19 May 2017

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 to the Directors and to seek your approval for the resolutions relating

LETTER FROM THE BOARD

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 2016

The 2016 Annual Report incorporating the audited financial statements, the report of the Directors and independent auditor's report for the year ended 31 December 2016 was sent to the Shareholders on 25 April 2017. 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 Ms. Li Ting and Mr. Huang Xin; the non-executive Directors are Mr. Yu Feng, Mr. Ko Chun Shun, Johnson, Ms. Hai Olivia Ou and Mr. Huang Youlong; and the independent non-executive Directors are Mr. Lin Lijun, Mr. Qi Daqing, Mr. Chu Chung Yue, Howard and Dr. Wong Yau Kar, David, *BBS, JP*.

Pursuant to Article 103(A) of the Articles of Association, Mr. Huang Xin, Ms. Hai Olivia Ou, Mr. Huang Youlong and Mr. Chu Chung Yue, Howard shall retire by rotation at the Annual General Meeting. The retiring Directors, being eligible, offer themselves for re-election.

At the meeting of the Board held on 28 March 2017, the Board considered the re-election of the retiring Directors and resolved that the retiring Directors be proposed for re-election at the Annual General Meeting.

In compliance with the requirements of code provision E.1.1 of the Corporate Governance Code and Corporate Governance Report 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.

LETTER FROM THE BOARD

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 484,665,278 Shares based on 20% of the 2,423,326,394 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 242,332,639 Shares based on 10% of the 2,423,326,394 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.

2. ANNUAL GENERAL MEETING

The Notice of Annual General Meeting is set out on pages 16 to 20 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 Friday, 16 June 2017 to Wednesday, 21 June 2017 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 Thursday, 15 June 2017.

LETTER FROM THE BOARD

4. RECOMMENDATION

The Directors consider that the proposed re-election of Directors, granting the general mandate to issue Shares and the Buy-back Mandate to the Directors, and other business 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. 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

Li Ting

Executive Director and Chief Executive Officer

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

1. **Mr. Huang Xin**, aged 41, was appointed as an executive Director of the Company and a member of the Remuneration Committee of the Company in November 2015. Mr. Huang is a partner and a member of the investment committee of Yunfeng Capital. Mr. Huang served as vice president of Shanghai Kaituo Capital Limited from 2006 to 2010, where he was in charge of various investments. Mr. Huang was vice president of finance at Target Media Holdings Limited from 2005 to 2006, where Mr. Huang managed its daily financial operations and led its equity financing and merger and integration with Focus Media Holding Limited. Mr. Huang worked at General Electric Company from 1997 to 2005.

Mr. Huang is a director of Jade Passion Limited (“Jade Passion”), the substantial shareholders of the Company.

Mr. Huang obtained a master of business administration degree from China Europe International Business School, the PRC in October 2011 and a bachelor’s degree in accounting from Fudan University, the PRC in July 1997.

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

Mr. Huang 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 2016, Mr. Huang was not entitled any remuneration. Nevertheless, he is entitled to receive discretionary remuneration or other benefits as may be decided by the Board and reviewed by the remuneration committee of the Company 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. Huang 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. **Ms. Hai, Olivia Ou**, aged 37, was appointed as a non-executive Director of the Company in November 2015. Ms. Hai is a managing director of Yunfeng Capital and specialises in investments related to the financial services industry. 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 has 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 is a board representative of both the Life Board and the Education Board of the Institute and Faculty of Actuaries in the United Kingdom. She is also 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 2016, Ms. Hai was not entitled any remuneration. Nevertheless, she is entitled to receive discretionary remuneration or other benefits as may be decided by the Board and reviewed by the remuneration committee of the Company 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.

3. **Mr. Huang Youlong**, aged 40, was appointed as a non-executive Director of the Company in November 2015. Mr. Huang is the chairman of Damo Gold Ocean Group Limited, the chairman of Mongolian Desert Resources LLC. and the chairman of Grand Asia Pacific Investment Holding Pte. Ltd.. Mr. Huang was appointed as the chairman and an executive director of Sino Golf Holdings Limited (Stock code: 00361) on 7 November 2016, a company listed on the Stock Exchange.

Mr. Huang is a director of Jade Passion, the substantial shareholder of the Company.

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

Mr. Huang 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 2016, Mr. Huang was not entitled any remuneration. Nevertheless, he is entitled to receive discretionary remuneration or other benefits as may be decided by the Board and reviewed by the remuneration committee of the Company 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. Huang 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.

4. **Mr. Chu Chung Yue, Howard**, aged 68, 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 of the Company 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 holds a bachelor 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 2016, the total remuneration that Mr. Chu entitled was approximately HK\$378,000. Nevertheless, he is entitled to receive discretionary remuneration or other benefits as may be decided by the Board and reviewed by the remuneration committee of the Company 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 2,423,326,394. 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 242,332,639 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 2016) 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 1,342,976,000 Shares, representing approximately 55.42% 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 61.58% of the issued Shares. The Directors are not aware of any consequences which may arise under the Takeovers Code as a result of any buy-backs made under the Buy-back Mandate. The Directors do not propose to exercise the Buy-back Mandate to such extent that the public shareholding would be reduced to less than 25% of the issued Shares.

SHARE PURCHASE MADE BY THE COMPANY

No purchase has been made by the Company of its Shares (whether on the Stock Exchange or otherwise) in the six months prior to the date of this circular.

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 2017 up to the Latest Practicable Date:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2016		
May	8.36	4.90
June	7.50	5.60
July	6.90	5.90
August	6.48	5.41
September	7.29	5.49
October	6.15	5.60
November	6.50	5.54
December	5.96	5.40
2017		
January	5.70	5.19
February	5.88	5.04
March	5.45	4.80
April	5.10	4.45
May (up to the Latest Practicable Date)	4.58	3.91

NOTICE OF ANNUAL GENERAL MEETING



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)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Yunfeng Financial Group Limited (the “Company”) will be held at Suites 3205-3208, One Exchange Square, 8 Connaught Place, Central, Hong Kong on Wednesday, 21 June 2017 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 21 June 2017, 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 2016.
2. (a) each as a separate resolution, to re-elect the following retiring directors of the Company:
 - (1) to re-elect Mr. Huang Xin as a Director;
 - (2) to re-elect Ms. Hai Olivia Ou as a Director;
 - (3) to re-elect Mr. Huang Youlong as a Director; and
 - (4) to re-elect Mr. Chu Chung Yue, Howard as a 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.

NOTICE OF ANNUAL GENERAL MEETING

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

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;

NOTICE OF ANNUAL GENERAL MEETING

- (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;

NOTICE OF ANNUAL GENERAL MEETING

(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 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 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 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

Li Ting

Executive Director and Chief Executive Officer

Hong Kong, 19 May 2017

NOTICE OF ANNUAL GENERAL MEETING

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 21 June 2017, 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 21 June 2017 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 (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 Friday, 16 June 2017 to Wednesday, 21 June 2017 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 Thursday, 15 June 2017.
- (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 19 May 2017. 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 19 May 2017.
- (viii) As at the date of this notice, the Board is comprised of 10 Directors, of which Mr. Yu Feng is Chairman and non-executive Director, Ms. Li Ting and Mr. Huang Xin are executive Directors, Mr. Ko Chun Shun, Johnson, Ms. Hai Olivia Ou and Mr. Huang Youlong are non-executive Directors and Mr. Lin Lijun, Mr. Qi Daqing, Mr. Chu Chung Yue, Howard and Dr. Wong Yau Kar, David, *BBS, JP* are independent non-executive Directors.