

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



Yunfeng Financial Group Limited

雲鋒金融集團有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 376)

ADOPTION OF 2016 SHARE AWARD SCHEME AND FORMATION OF BOARD COMMITTEE FOR ADMINISTRATION OF 2016 SHARE AWARD SCHEME

ADOPTION OF 2016 SHARE AWARD SCHEME

The Board is pleased to announce that on 12 December 2016, the Board has approved the adoption of the 2016 Share Award Scheme. The purposes of the 2016 Shares Award Scheme are to (i) encourage or facilitate the holding of Shares by the Selected Participants; (ii) encourage and retain such individuals to work with the Group; and (iii) provide additional incentive for them to achieve performance goals.

Pursuant to the 2016 Share Award Scheme, the Board may, from time to time at its absolute discretion, (i) select any Group A Participant to be a Selected Participant and grant Share Awards to such Selected Participant which are to be satisfied by the new Shares to be subscribed by the Trustee under the Company's available general mandate on the relevant Grant Date or under a specific mandate approved or to be approved by the shareholders of the Company; (ii) select any Group B Participant to be a Selected Participant and grant Share Awards to such Selected Participant which are to be satisfied by the existing Shares received by the Trustee from any shareholder of the Company or purchased by the Trustee (either on-market or off-market).

The Company may from time to time cause to be paid to the Trustee such amounts of funds from the Company's resources as the Board may in its absolute discretion determine, for the subscription of new Shares or the purchase of existing Shares (either on-market or off-market) and the payment of the transaction costs.

The Board may from time to time while the 2016 Shares Award Scheme is in force determine any vesting criteria or conditions for the Share Awards to be vested or credited. The Trustee shall hold the Grant Shares awarded until they are vested to the relevant Selected Participants in accordance with the terms of the Share Awards.

The 2016 Share Award Scheme is a complementary measure to the 2014 Share Award Scheme and the Share Option Scheme of the Company.

The 2016 Share Award Scheme does not constitute a share option scheme of the Company for the purpose of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

FORMATION OF BOARD COMMITTEE FOR ADMINISTRATION OF 2016 SHARE AWARD SCHEME

The Board is also pleased to announce that on 12 December 2016, the Board has approved the establishment of a board committee comprising Mr. Yu Feng (who is Chairman and non-executive Director), Mr. Huang Xin (who is an executive Director) and Mr. Qi Daqing (who is an independent non-executive Director), which is delegated with the power and authority by the Board to administer the 2016 Share Award Scheme.

ADOPTION OF 2016 SHARE AWARD SCHEME

The Board is pleased to announce that on 12 December 2016, the Board has approved the adoption of the 2016 Share Award Scheme. The 2016 Share Award Scheme is a complementary measure to the 2014 Share Award Scheme and the Share Option Scheme of the Company. The 2016 Share Award Scheme does not constitute a share option scheme for the purpose of Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

Summary of the 2016 Share Award Scheme

A summary of the principal terms of the 2016 Share Award Scheme is set out below.

Purposes

The purposes of the 2016 Share Award Scheme are to (i) encourage or facilitate the holding of Shares by the Selected Participants; (ii) encourage and retain such individuals to work with the Group; and (iii) provide additional incentive for them to achieve performance goals.

Administration

The 2016 Share Award Scheme shall be administered by the Administration Body in accordance with the Rules. The Board has the power to construe and interpret the Rules and the terms of the Share Awards granted under it. The decision of the Board as to all matters relating to the 2016 Share Award Scheme or its interpretation or effect shall be final and binding on all parties.

The Company shall appoint the Trustee to assist with the administration and vesting of the Share Awards to be granted pursuant to the 2016 Share Award Scheme. The Company shall procure that sufficient funds are provided to the Trustee by whatever means as the Board may in its absolute discretion determine to enable the Trustee to satisfy its obligations in connection with the administration and vesting of Share Awards granted pursuant to the 2016 Share Award Scheme.

Duration

Subject to any termination as may be determined by the Board pursuant to the Rules, the 2016 Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date.

Scheme Limits

No Shares shall be subscribed for and/or purchased pursuant to the 2016 Share Award Scheme, nor any amounts paid to the Trustee for the purpose of making such a subscription and/or purchase, if as a result of such subscription and/or purchase, the number of Shares administered under the 2016 Share Award Scheme and the 2014 Share Award Scheme shall exceed in total 10 per cent of the number of the Company's shares in issue from time to time (the "**Scheme Limit**").

As of the date of this announcement, a total number of 9,330,230 Shares have been subscribed for or purchased pursuant to the 2014 Share Award Scheme while no Shares have been subscribed for and/or purchased pursuant to the 2016 Share Award Scheme.

Operation of the 2016 Share Award Scheme

Subject to provisions of the Rules, including but not limited to the Scheme Limit, the Board may, from time to time at its absolute discretion:

- (i) select any Group A Participant to be a Selected Participant and grant Share Awards to such Selected Participant which are to be satisfied by the new Shares to be subscribed by the Trustee under the Company's available general mandate on the relevant Grant Date or under a specific mandate approved or to be approved by the shareholders of the Company (the "**Pool A Share Awards**"); or
- (ii) select any Group B Participant to be a Selected Participant and grant Share Awards to such Selected Participants which are to be satisfied by the existing Shares received by the Trustee from any shareholder of the Company or purchased by the Trustee (either on-market or off-market) (the "**Pool B Share Awards**").

For the purpose of the 2016 Share Award Scheme, a Group A Participant can also be a Group B Participant if so selected by the Board. If an individual is at the same time a Group A Participant and a Group B Participant, the Board may, at its absolute discretion, grant to such individual Pool A Share Awards or Pool B Share Awards or a combination of both.

After the Board has determined the number of Grant Shares and/or the Selected Participants, it shall notify the Trustee and (if the Selected Participants are identified) issue the Grant Letter to the Selected Participants. The Board may determine the number of Grant Shares without identifying the Selected Participants and the terms and conditions in respect of such Grant Shares at the time when the Board notifies the Trustee its determination of the number of Grant Shares. The identities of the Selected Participants and the terms and conditions of the Grant may be determined as and when the Board thinks fit, upon which the Board shall then issue Grant Letters to the Selected Participants. Upon receipt of the Grant Letter, the Selected Participants are required to confirm their acceptance of the Grant by the latest acceptance date as specified in the relevant Grant Letters.

The Company may from time to time cause to be paid to the Trustee such amounts of funds from the Company's resources as the Board may in its absolute discretion determine, for the subscription of new Shares or the purchase of existing Shares (either on-market or off-market) and the payment of the transaction costs. In the case of subscription of new Shares, the Trustee shall subscribe for such number of new Shares as the Administration Body shall direct. In the case of purchase of existing Shares, the Trustee shall, subject to market conditions and at such time as the Trustee may at its absolute discretion determine, purchase existing Shares (either on-market or off-market).

The Trustee shall exercise the voting rights in respect of any Shares which are held under the Trust in accordance with the instructions of the Administration Body in compliance with the Listing Rules or as the Stock Exchange may approve.

Restrictions

In respect of the administration of the 2016 Share Award Scheme, the Company shall comply with all applicable disclosure regulations including, without limitation, those imposed by the Listing Rules and all applicable laws from time to time.

No payment shall be made to the Trustee, no instructions to subscribe for and/or purchase Shares shall be given to the Trustee pursuant to the 2016 Share Award Scheme and no Grant shall be made to any Selected Participant in the following circumstances:

- (i) after a price sensitive event in relation to the securities of the Company has occurred or a price sensitive matter in relation to the securities of the Company has been the subject of a decision, until such price sensitive information has been published in accordance with the Listing Rules and the Inside Information Provisions;
- (ii) on any day on which the Company's financial results are published and: (a) during the period of 60 days immediately preceding the publication date of the Company's annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (b) during the period of 30 days immediately preceding the publication date of the Company's quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results, unless there are circumstances of the Company that fall within the exceptions under the Listing Rules; or
- (iii) in any circumstances which are prohibited under the Listing Rules or where the requisite approval from any applicable regulatory authorities has not been granted.

Rights of Selected Participants before vesting

A Selected Participant shall not have any contingent interest in the Grant Shares which are referable to him until such Grant Shares have been vested as Shares in accordance with the Rules. The Trustee shall hold the Grant Shares awarded until they are vested to the relevant Selected Participants in accordance with the terms of the Share Awards.

Vesting of Awards

The Board may from time to time while the 2016 Share Award Scheme is in force determine any vesting criteria or conditions for the Share Awards to be vested or credited. Such vesting criteria may be based on the passage of time after the grant of Share Awards, the satisfaction of specified performance criteria relating generally to the Company or particularly to a Selected Participant or the satisfaction of any other conditions as the Board may in its discretion determine.

In the event that a Selected Participant ceases to be a Group A Participant or a Group B Participant by reason of (i) his death; (ii) his disability; (iii) if he is an Employee, retirement, redundancy, severance or dismissal without cause; (iv) the Subsidiary by which such Selected Participant is employed or contracted with (as the case may be) ceases to be a Subsidiary; and (v) an order for the winding up of the Company is made or a resolution is passed for the voluntary winding up of the Company, then notwithstanding that the Selected Participant has ceased to be a Group A Participant or a Group B Participant, any unvested Share Awards shall continue to vest according to the vesting conditions of the Share Awards.

If an offer by way of takeover, merger, scheme of arrangement, share repurchase or otherwise is made to all the holders of Shares resulting in a change in control of the Company, and such offer becomes or is declared unconditional prior to the vesting of Share Awards in the Selected Participant, then notwithstanding the vesting conditions (if any) have not been satisfied, such Share Awards shall immediately so vest.

Lapse of Share Awards

If at any time, a Selected Participant (i) ceases to be a Group A Participant or a Group B Participant by reason of such Selected Participant being terminated by the Company or any Subsidiary for cause, being summarily dismissed or tendering of his resignation; (ii) becomes bankrupt or has made any arrangement or composition with his creditors generally; (iii) has been convicted or found guilty of or liable for any criminal or civil offence or regulatory sanction involving his integrity or honesty; or (iv) has been charged, convicted or held liable for any offence under relevant securities laws, then any unvested Share Awards shall automatically lapse forthwith.

No Assignment of Share Awards

Any Share Awards granted under the 2016 Share Award Scheme shall be personal to the Selected Participant in whom it is made and shall not be assignable.

Termination

The 2016 Share Award Scheme shall terminate on the earlier of (i) the expiry of the period of ten (10) years from the Adoption Date; or (ii) such date of early termination as determined by the Board.

FORMATION OF BOARD COMMITTEE FOR ADMINISTRATION OF 2016 SHARE AWARD SCHEME

The Board is also pleased to announce that on 12 December 2016, the Board has approved the establishment of a board committee comprising Mr. Yu Feng (who is Chairman and non-executive Director), Mr. Huang Xin (who is an executive Director) and Mr. Qi Daqing (who is an independent non-executive Director), which is delegated with the power and authority by the Board to administer the 2016 Share Award Scheme.

DEFINITIONS

“2014 Share Award Scheme”	means the share award scheme of the Company adopted by the Board on 30 October 2014, in its present or any amended form;
“2016 Share Award Scheme”	means the share award scheme of the Company adopted by the Board on 12 December 2016, in its present or any amended form;
“Administration Body”	means the Board or any committee of the Board delegated with the power and authority by the Board to administer the 2016 Share Award Scheme;
“Adoption Date”	means 12 December 2016, being the date on which the 2016 Share Award Scheme is adopted by the Company pursuant to the approval by the Board;
“Board”	means the board of directors of the Company;
“Company”	means Yunfeng Financial Group Limited (formerly known as Reorient Group Limited), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Hong Kong Stock Exchange with Stock Code 376;
“Employee”	means an employee (including full-time and part-time) of the Company or any Subsidiary;
“Grant”	means individually or collectively, a grant of Share Awards under the 2016 Share Award Scheme;
“Grant Date”	means in relation to any Share Award, the date on which the Share Award is granted as set out in the Grant Letter;
“Grant Letter”	means the letter to the Selected Participants notifying them of the Grant in accordance with the Rules;

“Grant Shares”	means the number of Share Awards to be granted to any Selected Participant under the 2016 Share Award Scheme;
“Group”	means the Company and the Subsidiaries from time to time;
“Group A Participant”	means any individual who is an Employee, officer, agent or consultant of the Company or any Subsidiary who is not a connected person (as defined or deemed to be the case under the Listing Rules) of the Company; and if the Administration Body so determines in its absolute discretion, any director (including executive and non-executive director) of the Company or any Subsidiary;
“Group B Participant”	means any individual being a director (including executive and non-executive director), Employee, officer, agent or consultant of the Company or any Subsidiary;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Inside Information Provisions”	means Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Listing Rules”	means the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time;
“Rules”	means the rules of the 2016 Share Award Scheme as amended from time to time;
"Selected Participant"	means any Group A Participant or Group B Participant selected by the Board in accordance with the terms of and entitled to receive a Grant under the 2016 Share Award Scheme;
"Share Awards"	means the awards of Grant Shares pursuant to the 2016 Share Award Scheme;
“Share Option Scheme”	means the share option scheme of the Company as adopted by the shareholders of the Company on 21 July 2011, in its present or any amended form;
"Shares"	means the ordinary shares in the issued share capital of the Company;
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
"Subsidiary"	means a subsidiary of the Company;
“Trust”	means the 2016 Share Award Scheme Trust from which Share Awards may be granted to a Selected Participant pursuant to the 2016 Share Award Scheme;

- "Trustee"** means the trustee of the Trust from time to time;
- "Vested Shares"** means any Grant Shares held by the Trustee on behalf of a Selected Participant pursuant to the Rules vested in accordance with the Grant Letter; and
- "Vesting Date"** the date or each such date on which the Grant Shares are to vest in accordance with the Rules.

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

Hong Kong, 12 December 2016

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, Ms. Hai, Olivia Ou and Mr. Huang Youlong (who are non-executive directors), and Mr. Lin Lijun, Mr. Qi Daqing, Mr. Chu Chung Yue, Howard and Dr. Wong Yau Kar, David, BBS, JP (who are independent non-executive directors).