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**JF Wealth Holdings Ltd**

**九方财富控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 9636)**

## **PROFIT WARNING**

This announcement is made by JF Wealth 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 year ended December 31, 2023 (the “**Reporting Period**”) and the current information available to the Board: (i) the Group is expected to record a net profit attributable to the Shareholders for the Reporting Period in the range between approximately RMB185 million to RMB195 million as compared to the net profit attributable to Shareholders of approximately RMB460.55 million for the year ended December 31, 2022; (ii) the non-HKFRS (Hong Kong Financial Reporting Standards, as issued by the Hong Kong Institute of Certified Public Accountants) profit attributable to the Shareholders for the Reporting Period shall be in the range between approximately RMB314 million to RMB324 million after excluding the share-based compensation expense of approximately RMB128.91 million; and (iii) the revenue recorded during the Reporting Period is expected to increase by approximately RMB115 million and the operating cash flow is expected to increase by approximately 86%, primarily due to an estimated growth of approximately 18% in the gross billing for the Reporting Period as compared to the year ended December 31, 2022 (the balance of contract liabilities at the end of the Reporting Period is expected to be approximately RMB689 million, which is approximately RMB112 million more than the balance as at December 31, 2022. The portions of contract liabilities will mainly be recognized as revenue in the year ended December 31, 2024).

Based on the current information available to the Board, the Board considers that the changes in net profit during the Reporting Period were mainly attributable to the following factors:

### **1. 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**”). On February 3, 2023, the Company granted to certain candidates (the “**Candidates**”) an aggregate of 5,686 shares of the Company (the “**Underlying Shares**”), which were adjusted to 28,430,000 Underlying Shares upon the completion of the capitalization issue immediately before the global offering of the Company (the “**Global Offering**”).

In accordance with the relevant accounting principles, the Company shall account for grant of the Underlying Shares as personnel cost in its general and administrative expenses based on the fair value of the Underlying Shares granted. The aforesaid fair value was assessed after taking into account the offer price of the Company's share of the Global Offering, 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 Underlying Shares 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 RMB128.91 million was charged as share-based compensation expenses in the Group's consolidated statement of comprehensive income for the Reporting Period.

## **2. Increase in operating expenses**

The operating expenses increased by approximately 16% for the Reporting Period as compared to the year ended December 31, 2022, which was mainly due to the following reasons:

- a) during the year ended December 31, 2022, the Group reversed the provision in the amount of RMB59.4 million for the social insurance contribution and accounted for as a deduction in staff cost. This was a one-off event, the details of which could be referred to the section headed "Business – Social Insurance and Housing Provident Funds" of the prospectus of the Company dated February 28, 2023;
- b) during the Reporting Period, the listing expense (including the expense incurred for the listing ceremony) amounted to approximately RMB22.68 million; and
- c) the expansion in the scale of business leads to the additional staff and rental cost incurred during the Reporting Period, which resulted in the increase in the staff cost of approximately RMB211.71 million and in the rental cost of approximately RMB27.9 million, as compared to the year ended December 31, 2022.

At present, the Group maintains sustainable and healthy development, with sound and steady business and operating conditions, optimal asset liability ratio and abundant liquidity. In the future, the Group will take effective measures, such as increasing research, development and innovation, pursuing positive product iteration, deepening traffic operation, optimizing cost structure and continuously reducing costs and increasing efficiency, to further strengthen the Company's leading advantage, to continuously improve business performance, and to create value for the Shareholders in a long-term and sustainable manner.

As the Company is still in the process of finalizing the annual 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 annual 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 annual results announcement of the Company, which is expected to be released before the end of March 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 Wealth Holdings Ltd**  
**CHEN Wenbin**  
*Chairman of the Board*

Shanghai, China, February 29, 2024

*As at the date of this announcement, the executive Directors are Mr. CHEN Wenbin, Mr. CHEN Jigeng and Mr. CAI Zi, 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.*