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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Jun Yang Financial Holdings Limited (“**Company**”), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for the securities of the Company.



Jun Yang Financial Holdings Limited
君陽金融控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 397)

**PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;
AND
NOTICE OF ADJOURNED SPECIAL GENERAL MEETING**

A notice convening the adjourned special general meeting of the Company to be held at 9:00 a.m. on Friday, 25 September 2015 at President Room, Level 2, Royal Park Hotel, 8 Pak Hok Ting Street, Shatin, New Territories, Hong Kong is set out on pages SGM-1 to SGM-2 of this circular. Whether or not you are able to attend the adjourned meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the adjourned meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the adjourned meeting or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

8 September 2015

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DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Code on Takeovers and Mergers of Hong Kong
“Adjourned SGM”	the adjourned special general meeting of the Original SGM, convened to be held for the Shareholders to consider and if thought fit, approve the SM Placing Agreement and the transactions contemplated thereunder and the grant of the Specific Mandate, the notice of which is set out on pages SGM-1 to SGM-2 this circular
“AGM”	the annual general meeting of the Company held on 3 June 2015 at which, among other things, the General Mandate was granted to the Directors
“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	Jun Yang Financial Holdings Limited, a company incorporated in Bermuda with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue or deal with additional Shares
“Group”	the Company and its subsidiaries
“HK\$”	the Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Independent Third Party(ies)”	third party(ies) independent of the Company and not connected nor acting in concert with any of the connected persons of the Company or their respective associates
“Latest Practicable Date”	2 September 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Original SGM”	the special general meeting of the Company held on 27 August 2015 and was adjourned to be held at a later date and time to be announced by the Company. Such meeting was originally convened for the Shareholders to consider and, if thought fit, approve the Original SM Placing Agreement and the transactions contemplated thereunder
“Original SM Placing”	the proposed offer by way of private placing of the Original SM Placing Shares by or on behalf of the Placing Agent to the Placee(s), on a best endeavour basis, on the terms and subject to the conditions set out in the Original SM Placing Agreement
“Original SM Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 10 July 2015 in relation to the Original SM Placing
“Original SM Placing Shares”	a maximum of 8,604,700,000 new Shares proposed to be placed pursuant to the Original SM Placing Agreement
“Placee(s)”	any individual, corporate, institutional investors or other investors to be procured by or on behalf of the Placing Agent under the SM Placing
“Placing Agent”	SBI China Capital Financial Services Limited, a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Price”	HK\$0.113 per SM Placing Share
“PRC”	the People’s Republic of China

DEFINITIONS

“Securities Business”	the Group’s securities related business operated by Jun Yang Securities Company Limited, a wholly-owned subsidiary acquired by the Group in October 2014
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SM Placing”	the proposed offer by way of private placing of the SM Placing Shares by or on behalf of the Placing Agent to the Placee(s), on a best endeavour basis, on the terms and subject to the conditions set out in the SM Placing Agreement
“SM Placing Agreement”	the Original SM Placing Agreement (as varied and supplemented by the Supplemental SM Placing Agreement)
“SM Placing Shares”	a maximum of 12,031,350,000 new Shares proposed to be placed pursuant to the SM Placing Agreement and each a “SM Placing Share”
“Specific Mandate”	the special mandate to be granted by the Shareholders to the Directors at the Adjourned SGM for the allotment and issue of up to a maximum number of 12,031,350,000 SM Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental SM Placing Agreement”	the supplemental agreement dated 24 August 2015 to the Original SM Placing Agreement entered into between the Company and the Placing Agent
“%”	per cent.

LETTER FROM THE BOARD



Jun Yang Financial Holdings Limited **君陽金融控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock code: 397)

Executive Directors:

Mr. Bai Liang (*Chairman*)
Dr. Tang Sing Hing, Kenny (*Vice Chairman*)
Mr. Jiang You (*Chief Executive Officer*)
Mr. Siu Kam Chau
Mr. Peng Libin
Mr. Liu Guangdian

Independent non-executive Directors:

Mr. Chan Chi Yuen
Mr. Chik Chi Man
Mr. Lam Wing Tai

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

*Head office and principal place of
business in Hong Kong:*

Unit 1105, 11/F
Wing On Plaza
62 Mody Road
Tsim Sha Tsui East
Kowloon, Hong Kong

8 September 2015

To the Shareholders

Dear Sir or Madam

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE

INTRODUCTION

Reference is made to the announcement of the Company dated 10 July 2015 in which the Company announced that on 10 July 2015, the Company and the Placing Agent entered into, amongst other agreement, the Original SM Placing Agreement in relation to the Original SM Placing.

LETTER FROM THE BOARD

Reference is also made to the announcement of the Company dated 24 August 2015 in respect of the entering into of the Supplemental SM Placing Agreement by the Company and the Placing Agent whereby the maximum number of the Shares to be placed under the SM Placing shall be increased from 8,604,700,000 Shares to 12,031,350,000 Shares and the price at which each such Share shall be issued shall be reduced from HK\$0.158 to HK\$0.113 in light of the prevailing market price of the Shares.

Reference is also made to the announcement of the Company dated 27 August 2015 in which the Company announced that the Original SGM convened for the purpose of approving the Original SM Placing was adjourned as a result of the entering into of the Supplemental SM Placing Agreement.

The Company now wishes to convene the Adjourned SGM. The purpose of this circular, among other things, is to provide you with the relevant information regarding the resolution to be proposed at the Adjourned SGM relating to the placing of up to 12,031,350,000 SM Placing Shares and to give you notice of the Adjourned SGM.

THE SM PLACING AGREEMENT

Date: 10 July 2015 (*date of the Original SM Placing Agreement*)
24 August 2015 (*date of the Supplemental SM Placing Agreement*)

Issuer: The Company

Placing Agent: SBI China Capital Financial Services Limited

The Placing Agent has conditionally agreed to place up to 12,031,350,000 SM Placing Shares, on a best endeavour basis, to the Placees. The Placing Agent will receive a placing commission of 3.3% of the aggregate Placing Price for the SM Placing Shares actually placed by or on behalf of the Placing Agent on behalf of the Company in pursuance of its obligations under the SM Placing Agreement. Such placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing market conditions.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of the SM Placing Agreement and the Latest Practicable Date, the Placing Agent and its ultimate beneficial owners were Independent Third Parties.

LETTER FROM THE BOARD

Placees:

The SM Placing Shares are to be placed to not less than six Placees, who and whose ultimate beneficial owners, shall be Independent Third Parties. The Placing Agent has undertaken that except with the consent of the Company, none of the Placees would, immediately upon completion of the SM Placing, become a substantial shareholder (within the meaning of the Listing Rules) of the Company.

Placing Price:

The price at which each Original SM Placing Share under the Original SM Placing would be issued was fixed at HK\$0.158. Please refer to the section headed “Letter from the Board – The SM Placing Agreement – Placing Price” in the circular of the Company dated 10 August 2015 for a comparison of such issue price and the then prevailing market prices of the Shares.

Pursuant to the Supplemental SM Placing Agreement, the Placing Price was fixed at HK\$0.113 per SM Placing Share.

The Placing Price of HK\$0.113 per SM Placing Share represents:

- (i) a discount of approximately 18.12% to the closing price of HK\$0.138 per Share as quoted on the Stock Exchange on 24 August 2015, being the date of the Supplemental SM Placing Agreement;
- (ii) a discount of approximately 37.84% to the average closing price of HK\$0.1818 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the date of the Supplemental SM Placing Agreement; and
- (iii) a discount of approximately 37.22% to the closing price of HK\$0.180 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Placing Price was determined after arm’s length negotiation between the Company and the Placing Agent with reference to, among other matters, the prevailing market prices of the Shares before the entering into of the Supplemental SM Placing Agreement and the capital requirement for the future development of the Group as described below.

The Directors consider that the terms of the SM Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Assuming the maximum number of SM Placing Shares are placed, the maximum gross proceeds from the SM Placing will be approximately HK\$1,360 million and the maximum net proceeds will be approximately HK\$1,314 million (after deduction of commission and other expenses of the SM Placing). On such basis, the net issue price will be approximately HK\$0.109 per SM Placing Share.

SM Placing Shares:

Assuming the maximum number of SM Placing Shares are placed, the maximum number of 12,031,350,000 SM Placing Shares represents (i) approximately 159.16% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 61.41% of the existing issued share capital of the Company as enlarged by the SM Placing (assuming that there is no other change in the issued share capital of the Company from the Latest Practicable Date to the completion of the SM Placing). The aggregate nominal value of the maximum number of the SM Placing Shares will be HK\$120,315,000.

Ranking:

The SM Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue as at the date of allotment and issue of the SM Placing Shares.

Conditions of the SM Placing:

Completion of the SM Placing is conditional upon:

- (i) the Stock Exchange granting the listing of, and permission to deal in, all of the SM Placing Shares to be placed pursuant to the SM Placing Agreement; and
- (ii) the Specific Mandate being obtained at the Adjourned SGM.

None of the above conditions is capable of being waived.

Each of the Company and the Placing Agent shall use their respective best endeavours to procure satisfaction of the above conditions prior to 4:00 p.m. on the 30th day after the date of the Adjourned SGM or such other date as the Company and the Placing Agent may agree in writing (“**SM Long Stop Date**”). If the above conditions are not satisfied by the SM Long Stop Date, all obligations of the Placing Agent and of the Company under the SM Placing Agreement shall cease and determine and neither the Placing Agent nor the Company shall have any claim against the other in relation to the SM Placing Agreement (save in respect of any antecedent breaches of any obligation thereunder).

As at the Latest Practicable Date, none of the conditions above have been fulfilled.

LETTER FROM THE BOARD

Completion:

Completion of the SM Placing shall take place on the third Business Day after the fulfillment of all the above conditions or on such other date as the Company and the Placing Agent may agree in writing.

Mandate to issue the SM Placing Shares:

The SM Placing Shares proposed to be issued under the SM Placing Agreement will be issued pursuant to the Specific Mandate to be obtained at the Adjourned SGM.

Force majeure:

The Placing Agent reserves its right to terminate the SM Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the date of completion of the SM Placing if, in the reasonable opinion of the Placing Agent, after consultation with the Company:

- (1) there is any change in national, international, financial, exchange control, political, economic conditions in Hong Kong which in the reasonable opinion of the Placing Agent would be materially adverse in the consummation of the SM Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the SM Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the SM Placing; or
- (3) there is any material change (whether or not forming part of a series of changes) in market conditions which in the reasonable opinion of the Placing Agent would materially and prejudicially affect the SM Placing or makes it inadvisable or inexpedient for the SM Placing to proceed; or
- (4) any statement contained in all announcements, circulars, interim and annual reports issued by the Company to the Stock Exchange and/or the Shareholders since the publication of the announcement of the Company relating to the annual results of the Company for the year ended 31 December 2014 has become or been discovered to be untrue, incorrect or misleading in any material respect which in the opinion of the Placing Agent would be materially adverse in the consummation of the SM Placing.

The Directors were not aware of the occurrence of any of such events as at the Latest Practicable Date.

LETTER FROM THE BOARD

Application for listing:

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the SM Placing Shares.

REASONS FOR THE SM PLACING AND USE OF PROCEEDS

The Group is principally engaged in solar energy business with a current focus on development, construction, operation and maintenance of power station projects, money lending business and assets investment. Following the Group's acquisition of Jun Yang Securities Company Limited, the Group is putting more efforts and resources in developing financial service business. Recently, the Securities and Futures Commission has, in principle, approved the Group's proposed margin financing business.

The Directors are of the view that the SM Placing can strengthen the financial position of the Group and provide working capital to the Group to meet any future development and obligations. The SM Placing also represents a good opportunity to broaden the shareholders' base and the capital base of the Company. Taking into account the business plan of the Group to broaden its financial service and asset investment businesses, the Directors consider that the SM Placing is in the interest of the Company and the Shareholders as a whole.

As disclosed above, the maximum net proceeds from the SM Placing are estimated to be approximately HK\$1,314 million. It is expected that the net proceeds from the SM Placing will be used as to approximately HK\$600 million for assets investment, as to approximately HK\$114 million for the operation of the Securities Business and as to the remaining approximately HK\$600 million for the Group's proposed margin financing services and money lending business. Taking into account the stringent regulatory requirements regarding the proposed margin financing services, to allow flexibility to the Group, it is proposed that an aggregate sum of HK\$600 million shall be allocated for funding the Group's margin financing services and money lending business so that the Group can allocate its cash for operating its business more effectively.

LETTER FROM THE BOARD

As for the proposed use of proceeds of approximately HK\$600 million for assets investment, in general, it is the investment strategy of the Group to enhance the return to the Shareholders. Investment portfolio of the Group currently includes, and is expected to continue to include (but not limited to), fund and securities (both listed and unlisted) mainly in Hong Kong and other projects which are expected to have reasonable return as may be approved by the investment committee of the Company or the Board. As at the Latest Practicable Date, the Group has not yet identified any investment target. In the event that any investment made by the Group constitutes a notifiable transaction under the Listing Rules, the Company will comply with all applicable requirements under the Listing Rules.

Reference is made to the prospectus of the Company dated 15 May 2015 in relation to the open offer (“**Open Offer Prospectus**”). As disclosed in the section headed “Use of proceeds from the Open Offer” in the letter from the Board contained in the Open Offer Prospectus, it is expected that the total investment cost for all the new solar power station projects is estimated to be approximately HK\$1,200 million and apart from the capital required for the Short/Medium Term Projects (as described and defined in the Open Offer Prospectus), the Company may need to raise further fund for its other long-term solar power station projects (“**Long Term Projects**”). Having taken into consideration the Company’s previous fund raising activities (details are set out in the section headed “Fund raising exercises of the Company during the past 12 months” below) as well as the SM Placing, as at the Latest Practicable Date, the Company did not have any immediate plan or is not contemplating to have further fund raising for the next 12 months for financing the Group’s solar energy segment (other than the Long Term Projects as disclosed above), money lending business and the Securities Business. While the Group has not identified any investment targets as at the Latest Practicable Date, given that the Group is actively identifying suitable potential targets and the size of such targets may vary, the Group does not rule out the possibility that it may raise further fund (by way of borrowing or equity issue) to fund its asset investment business in the coming 12 months.

Although the Company has a total unutilised proceeds of approximately HK\$315 million from the Company’s open offer initially announced on 13 April 2015 (details are set out in the section headed “Fund raising exercises of the Company during the past 12 months” below), the aforesaid proceeds are earmarked for further expansion of the Group’s solar energy and related business segment, as disclosed in the Open Offer Prospectus, will be completed in stages subject to further determination of the management of the Group.

LETTER FROM THE BOARD

FUND RAISING EXERCISES OF THE COMPANY DURING THE PAST 12 MONTHS

Apart from the fund raising exercises mentioned below, the Company has not carried out other fund raising exercises during the 12 months immediately preceding the Latest Practicable Date.

Date of announcement	Fund raising exercise	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds as at the Latest Practicable Date
25 August 2014 and 23 October 2014	Placing of 1,090,000,000 new Shares under specific mandate at the placing price of HK\$0.193 per placing share	HK\$204.618 million	To redeem the convertible bonds in the principal amount of HK\$195,676,800 as detailed in the Company's announcements dated 10 April 2014, 11 April 2014 and 29 April 2014 ("Convertible Bonds") and the payment of interest accrued on the Convertible Bonds, and the remaining proceeds, if any, for general working capital of the Group	Approximately HK\$200.61 million has been used to redeem the Convertible Bonds and the payment of interest accrued thereon and the remaining proceeds of approximately HK\$4.00 million has been used as general working capital of the Group
13 November 2014 and 24 November 2014	Placing of 444,000,000 new Shares under general mandate at the placing price of HK\$0.186 per placing share	HK\$78 million	To be utilised for the Group's investment in solar energy and related projects and other new business opportunities (if any). If these project do not materialize or have not been identified, the net proceeds will be used for the short-term lending business and general working capital of the Group	Used for assets investment in a fund
13 April 2015 and 9 June 2015	Open offer of not less than 2,223,259,115 offer shares and not more than 2,224,227,198 offer shares at HK\$0.26 per offer share on the basis of one offer share for every two shares in issue held on the record date	HK\$563.92 million	(i) As to approximately HK\$393.00 million for further expansion of the Group's solar energy and related business segment; (ii) as to HK\$45.00 million for operation of the Group's securities trading business operated by Jun Yang Securities Company Limited ("Jun Yang Securities"), a wholly-owned subsidiary acquired by the Group in October 2014; (iii) as to HK\$96.00 million for the operation of the Group's money lending business; and (iv) as to the remaining balance of HK\$29.92 million as the Group's general working capital	(i) Approximately HK\$77.62 million has been used for the Group's solar power station projects; (ii) used as intended; (iii) used as intended; and (iv) used for assets investment in a fund, which is one of the principal businesses of the Group
10 July 2015 and 22 July 2015	Placing of 889,300,000 new Shares under General Mandate at an issue price of HK\$0.158 per Share	HK\$136 million	To be utilised for operation of the Securities Business	Approximately HK\$20 million has been used for capital injection in Jun Yang Securities for the Securities Business. The remaining net proceeds have not been utilised.

LETTER FROM THE BOARD

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the SM Placing (assuming that the maximum number of the SM Placing Shares are placed and there is no other change in the shareholding structure of the Company from the Latest Practicable Date to the completion of the SM Placing) are set out as below:

Shareholders	As at the Latest Practicable Date		Upon completion of the SM Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Bai Liang and his associate (<i>note 1</i>)	612,052,723	8.10	612,052,723	3.12
Peng Libin (<i>note 2</i>)	1,275,000	0.02	1,275,000	0.01
The Placees of SM Placing (<i>note 3</i>)	0	0.00	12,031,350,000	61.41
Other public Shareholders	6,945,749,622	91.88	6,945,749,622	35.46
Total	<u>7,559,077,345</u>	<u>100.00</u>	<u>19,590,427,345</u>	<u>100.00</u>

Notes:

1. Mr. Bai Liang is an executive Director. Out of the 612,052,723 Shares, (i) 49,552,723 Shares are owned by Mr. Bai Liang in the capacity as beneficial owner; and (ii) 562,500,000 Shares are owned by Silver Idea Investments Limited, a company wholly-owned and controlled by Mr. Bai Liang.
2. Mr. Peng Libin is an executive Director.
3. It is a term of the SM Placing Agreement that (i) upon allotment and issue of the SM Placing Shares, except with the consent of the Company, none of the Placees will become a substantial shareholder (within the meaning of the Listing Rules) of the Company; and (ii) upon allotment and issue of the SM Placing Shares, each of the Placees, together with parties acting in concert with him/her/it/them, will hold not more than 29.9% of the issued share capital of the Company.

ORIGINAL SGM AND ADJOURNED SGM

The Original SGM was held on 27 August 2015. As a result of the entering of the Supplemental SM Placing Agreement, the chairman of the Original SGM proposed to adjourn the Original SGM to be held at a later date and time to be announced by the Company. A resolution to such effect was put to vote at the Original SGM and was passed as an ordinary resolution.

The Company now wishes to convene the Adjourned SGM. The Adjourned SGM will be held at President Room, Level 2, Royal Park Hotel, 8 Pak Hok Ting Street, Shatin, New Territories, Hong Kong at 9:00 a.m. on Friday, 25 September 2015 for the purpose of considering and, if thought fit, approving the SM Placing Agreement and all the transactions contemplated thereunder (including the grant of the Specific Mandate).

LETTER FROM THE BOARD

Pursuant to the Bye-laws of the Company and the Listing Rules, voting by poll is required for any resolution put to vote at the Adjourned SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required under the Listing Rules to abstain from voting at the Adjourned SGM.

A form of proxy for use at the Adjourned SGM is enclosed with this circular. Whether or not you are able to attend the Adjourned SGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Adjourned SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from subsequently attending and voting in person at the Adjourned SGM or any adjournment thereof should you so wish, and in such case, the form of proxy previously submitted shall be deemed to be revoked.

WARNING

Since completion of the SM Placing is subject to the fulfilment of the conditions as set out in the paragraph headed "Conditions of the SM Placing" above, the SM Placing may or may not proceed.

Shareholders and potential investors are reminded to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the SM Placing and terms of the SM Placing Agreement are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution as set out in the notice of Adjourned SGM.

Yours faithfully
On behalf of the Board
Jun Yang Financial Holdings Limited
Bai Liang
Chairman

NOTICE OF ADJOURNED SGM



Jun Yang Financial Holdings Limited **君陽金融控股有限公司**

(Incorporated in Bermuda with limited liability)

(Stock code: 397)

NOTICE OF ADJOURNED SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an adjourned special general meeting (“**Meeting**”) of Jun Yang Financial Holdings Limited (“**Company**”) will be held at 9:00 a.m. on Friday, 25 September 2015 at President Room, Level 2, Royal Park Hotel, 8 Pak Hok Ting Street, Shatin, New Territories, Hong Kong, for the purpose of considering and, if thought fit, passing the following resolution of the Company:

AS ORDINARY RESOLUTION

“THAT

- (a) the SM Placing Agreement (as defined in the circular of the Company dated 8 September 2015 despatched to the shareholders of the Company (“**Circular**”), a copy of the Circular has been produced to the meeting marked “A” and initialled by the chairman of the meeting for the purpose of identification), a copy of which has been produced to the meeting marked “B” and initialled by the chairman of the meeting for the purpose of identification, and all the transactions contemplated thereunder be and is hereby approved;
- (b) the board of directors of the Company or a committee thereof be and is hereby specifically authorised to allot and issue the SM Placing Shares (as defined in the Circular) in accordance with the terms of the SM Placing Agreement; and
- (c) any one director of the Company be and is hereby authorised to sign, execute, perfect and deliver all such documents and deeds, and do all acts, matters and things, as the case may be in his discretion consider desirable or expedient to give effect to the SM Placing Agreement and all the transactions contemplated thereunder as well as in relation to the allotment and issue of the SM Placing Shares and to agree to such variation, amendment or waiver as are, in the opinion of such director of the Company, in the interest of the Company provided that such variation, amendment or waiver shall not be fundamentally different from the terms as provided in the SM Placing Agreement.”

On behalf of the Board
Jun Yang Financial Holdings Limited
Bai Liang
Chairman

8 September 2015

NOTICE OF ADJOURNED SGM

Registered office:
Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

*Head office and principal place of
business in Hong Kong:*
Unit 1105, 11/F
Wing On Plaza
62 Mody Road
Tsim Sha Tsui East
Kowloon, Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the adjourned special general meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the bye-laws of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the adjourned special general meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude a member of the Company from attending and voting in person at the adjourned special general meeting or any adjournment thereof should he/she so wish, and in such case, the instrument appointing a proxy shall be deemed to be revoked.
4. As required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolution will be decided by way of poll.

As at the date of this notice, the executive directors of the Company are Mr. Bai Liang, Dr. Tang Sing Hing, Kenny, Mr. Jiang You, Mr. Siu Kam Chau, Mr. Peng Libin and Mr. Liu Guangdian; and the independent non-executive directors of the Company are Mr. Chan Chi Yuen, Mr. Chik Chi Man and Mr. Lam Wing Tai.