
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 purchasers or transferees or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchasers or transferees.

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

(Incorporated in Bermuda with limited liability)

(Stock code: 397)

- (1) PROPOSED CAPITAL REORGANISATION;**
(2) PROPOSED CHANGE IN BOARD LOT SIZE;
(3) RE-ELECTION OF DIRECTOR;
AND
(4) NOTICE OF SPECIAL GENERAL MEETING

A notice convening the special general meeting of the Company to be held at 9:30 a.m. on Tuesday, 5 April 2016 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-3 of this circular.

Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon 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 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 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.

9 March 2016

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DEFINITIONS

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

“associate”	has the meaning as ascribed to it in the Listing Rules
“Board”	the board of Directors
“Bye-laws”	the bye-laws of the Company, as amended from time to time
“Capital Reduction”	the proposed reduction of the issued share capital of the Company through a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01
“Capital Reorganisation”	the proposed reorganisation of the share capital of the Company involving the Share Consolidation, the Capital Reduction and the Share Subdivision
“CCASS”	Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size for trading from 20,000 Existing Shares to 10,000 New Shares upon the Capital Reorganisation becoming effective
“Companies Act”	the Companies Act 1981 of Bermuda (as amended)
“Company”	Jun Yang Financial Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company immediately after the Share Consolidation becoming effective but prior to the Capital Reduction and the Share Subdivision becoming effective
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) of HK\$0.01 each in the existing share capital of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	4 March 2016, 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
“New Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately after the Capital Reorganisation becoming effective
“SGM”	the special general meeting of the Company convened and to be held for the Shareholders to consider and, if thought fit, approve, the Capital Reorganisation and the re-election of Director, the notice of which is set out on SGM-1 to SGM-3 of this circular
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share
“Share Options”	the outstanding share options granted under the share option scheme of the Company adopted by the Company on 17 November 2003 and the outstanding share options granted under and, as appropriate, the share options which may be granted under the share option scheme of the Company adopted on 4 June 2013 respectively
“Share Subdivision”	the proposed sub-division of each of the authorised but unissued Consolidated Shares of HK\$0.10 each into ten (10) New Shares of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Existing Share(s), the Consolidated Share(s), and/or the New Share(s), as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

EXPECTED TIMETABLE

The expected timetable for implementation of the Capital Reorganisation and the Change in Board Lot Size are set out below:

Latest time for lodging the form of proxy 9:30 a.m.,
Sunday, 3 April 2016

Expected time and date of the SGM 9:30 a.m.,
Tuesday, 5 April 2016

Publication of announcement of results of the SGM Tuesday, 5 April 2016

The following events are conditional on the fulfilment of the conditions for the implementation of the Capital Reorganisation:

Expected effective date of the Capital Reorganisation Wednesday, 6 April 2016

First day for free exchange of existing share
certificates for new share certificates Wednesday, 6 April 2016

Commencement of dealing in New Shares 9:00 a.m., Wednesday, 6 April 2016

Original counter for trading in Existing Shares in
board lots of 20,000 Existing Shares (in the form
of existing share certificates) temporarily closes 9:00 a.m., Wednesday, 6 April 2016

Temporary counter for trading in New Shares in
board lots of 2,000 New Shares (in the form of
existing share certificates) opens 9:00 a.m., Wednesday, 6 April 2016

Original counter for trading in New Shares in
new board lots of 10,000 New Shares (in the form of
new share certificates) re-opens 9:00 a.m., Wednesday, 20 April 2016

Parallel trading in New Shares (in the form of
new share certificates in new board lots of 10,000
New Shares and existing share certificates in board
lots of 2,000 New Shares) commences 9:00 a.m., Wednesday, 20 April 2016

Designated broker starts to provide matching services
for odd lots of New Shares 9:00 a.m., Wednesday, 20 April 2016

Temporary counter for trading in New Shares
in board lots of 2,000 New Shares (in the form
of existing share certificates) closes 4:00 p.m., Wednesday, 11 May 2016

EXPECTED TIMETABLE

Parallel trading in New Shares (in the form of
new share certificates in new board lots of 10,000
New Shares and existing share certificates in board
lots of 2,000 New Shares) ends 4:00 p.m., Wednesday, 11 May 2016

Designated broker ceases to provide matching services
for odd lots of New Shares 4:00 p.m., Wednesday, 11 May 2016

Last day for free exchange of existing share
certificates for new share certificates Friday, 13 May 2016

All dates and times set out in the timetable above refer to Hong Kong time.

This timetable is indicative only and any subsequent changes to the expected timetable will be announced by the Company.

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. Kwok Sze Yiu, Gordon (*Chairman*)

Dr. Tang Sing Hing, Kenny (*Vice Chairman*)

Mr. Ng Tang (*Chief Executive Officer*)

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

9 March 2016

To the Shareholders

Dear Sir/Madam,

**PROPOSED CAPITAL REORGANISATION
PROPOSED CHANGE IN BOARD LOT SIZE
AND
RE-ELECTION OF DIRECTOR**

INTRODUCTION

As announced by the Company in its announcement dated 15 February 2016, the Company proposed to implement the Capital Reorganisation and the Change in Board Lot Size. The purpose of this circular is to provide you with information regarding (i) the Capital Reorganisation; (ii) the Change in Board Lot Size; (iii) the re-election of Director; and to give you notice of the SGM.

LETTER FROM THE BOARD

PROPOSED CAPITAL REORGANISATION

The Company has proposed to implement the Capital Reorganisation which involves the following:

- (1) the Share Consolidation;
- (2) the Capital Reduction; and
- (3) the Share Subdivision.

As at the Latest Practicable Date, the issued share capital of the Company was HK\$195,904,273.45 comprising 19,590,427,345 Existing Shares. On such basis, the Capital Reorganisation will involve:

(1) Share Consolidation

The Board proposed to effect the Share Consolidation pursuant to which every ten (10) issued and unissued Existing Shares will be consolidated into one (1) Consolidated Share and the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company which may arise from the Share Consolidation.

(2) Capital Reduction

The following will be implemented immediately following the Share Consolidation:

- (a) the issued share capital of the Company will be reduced through a cancellation of the paid-up capital of the Company to the extent of HK\$0.09 on each of the issued Consolidated Shares such that the nominal value of each issued Consolidated Share will be reduced from HK\$0.10 to HK\$0.01; and
- (b) the credits arising in the books of the Company from (i) the cancellation of any fraction in the issued share capital of the Company arising from the Share Consolidation; and (ii) the Capital Reduction, which in aggregate, amount to HK\$176,313,846.11 will be credited to the contributed surplus account of the Company within the meaning of the Companies Act.

(3) Share Subdivision

Immediately following the Capital Reduction, each of the authorised but unissued Consolidated Shares of HK\$0.10 each will be sub-divided into ten (10) New Shares of HK\$0.01 each.

LETTER FROM THE BOARD

Effects of the Capital Reorganisation

Immediately following the Capital Reorganisation, the authorised share capital of the Company will be HK\$300,000,000 divided into 30,000,000,000 New Shares of HK\$0.01 each, of which 1,959,042,734 New Shares will be in issue and the aggregate nominal value of the issued share capital of the Company will be HK\$19,590,427.34 (assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the effective date of the Capital Reorganisation).

A credit of HK\$176,313,846.11 will arise as a result of (a) the Capital Reduction; and (b) the cancellation of any fraction in the issued share capital of the Company arising from the Share Consolidation. Such credit will be transferred to the contributed surplus account of the Company within the meaning of the Companies Act which will then be applied by the Board to set off against the accumulated losses of the Company by the amount of such credit on the date of the Capital Reorganisation becoming effective. The unaudited accumulated losses of the Company were approximately HK\$625.44 million as shown in the unaudited consolidated financial statements of the Company for the period ended 30 November 2015.

Shareholders and potential investors of the Company should note that the credits arising in the books from the Capital Reorganisation will be subject to change depending on the number of Existing Shares in issue immediately prior to the Capital Reorganisation becoming effective.

Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date until the effective date of the Capital Reorganisation, the share capital structure of the Company will be as follows:

	As at the Latest Practicable Date	Immediately after the Share Consolidation becoming effective but before the Capital Reduction and the Share Subdivision	Immediately after the Capital Reorganisation becoming effective
Authorised share capital	HK\$300,000,000	HK\$300,000,000	HK\$300,000,000
Par Value	HK\$0.01 per Existing Share	HK\$0.10 per Consolidated Share	HK\$0.01 per New Share
Number of authorised shares	30,000,000,000 Existing Shares	3,000,000,000 Consolidated Shares	30,000,000,000 New Shares
Amount of issued share capital	HK\$195,904,273.45	HK\$195,904,273.40	HK\$19,590,427.34
Number of issued shares	19,590,427,345 Existing Shares	1,959,042,734 Consolidated Shares	1,959,042,734 New Shares

LETTER FROM THE BOARD

	As at the Latest Practicable Date	Immediately after the Share Consolidation becoming effective but before the Capital Reduction and the Share Subdivision	Immediately after the Capital Reorganisation becoming effective
Amount of unissued share capital	HK\$104,095,726.55	HK\$104,095,726.60	HK\$280,409,572.66
Number of unissued shares	10,409,572,655 Existing Shares	1,040,957,266 Consolidated Shares	28,040,957,266 New Shares

All New Shares in issue will rank *pari passu* in all respects with each other.

Under the laws of Bermuda, the Directors may apply the contributed surplus in any manner permitted by the laws of Bermuda and the Bye-laws.

Implementation of the Capital Reorganisation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, except for the payment of the related expenses. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group and that on the date the Capital Reorganisation is to be effected, there are no reasonable grounds for believing that the Company is, or after the Capital Reorganisation would be, unable to pay its liabilities as they become due. Except for the expenses involved in relation to the Capital Reorganisation which are expected to be insignificant in the context of the net asset value of the Company, the net asset value of the Company will remain unchanged before and after the Capital Reorganisation becoming effective. The Capital Reorganisation does not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any paid up capital of the Company nor will it result in any change in the relative rights of the Shareholders.

Fractional entitlement to the New Shares

Fractions of the New Shares, if any, arising from the Capital Reorganisation will be aggregated and sold (if a premium, net of expenses, can be obtained) for the benefit of the Company.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional upon:

- (a) the passing of the necessary special resolution by the Shareholders approving the Capital Reorganisation at the SGM;

LETTER FROM THE BOARD

- (b) the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued upon exercise of the Share Options;
- (c) the compliance with the relevant procedures and requirements under the laws of Bermuda and the Listing Rules to effect the Capital Reorganisation; and
- (d) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reorganisation.

Reasons for the Capital Reorganisation

Under Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. In view of the fluctuation of the trading prices of the Existing Shares in the past six months before the date of announcement of the Company of 15 February 2016 with the trading prices of the Existing Shares ranging from HK\$0.21 per Existing Share to HK\$0.031 per Existing Share, the Board proposed to implement the Share Consolidation. The Capital Reorganisation, which includes the Share Consolidation, will also allow the value of each board lot to be increased to more than HK\$2,000 and enable the Company to avoid incompliance with the trading requirements under the Listing Rules. The Capital Reduction and the Share Subdivision will keep the par value of the shares of the Company at a lower level that can facilitate the Company's future fund raising activities as the Company will not be allowed to issue any shares below its par value. The credit in the contributed surplus account within the meaning of the Companies Act arising from the Capital Reduction will enable the Company to set off its accumulated loss.

In view of the reasons as mentioned above and since a capital reorganisation of the shares of the Company will require a considerable amount of time to complete, the Board believes that the Capital Reorganisation will provide greater flexibility to the Company in conducting future fund raising exercise so as to allow the Company to act swiftly should there be any need for future fund raising in a timely manner. While the Company did not have any future fund raising plan as at the Latest Practicable Date, the Company cannot rule out the possibility of conducting further fund raising exercise by equity issue should the Company require further funds for its future funding requirements. Accordingly, the Board is of the view that the Capital Reorganisation is beneficial to and in the interests of the Company and Shareholders as a whole.

Listing and dealings

Application will be made to the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares arising from the Capital Reorganisation and the New Shares which may fall to be allotted and issued upon exercise of the Share Options. None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal in is proposed to be sought.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

The New Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. All necessary arrangements will be made for the New Shares to be admitted into CCASS.

Free exchange of share certificates

Subject to the Capital Reorganisation becoming effective, Shareholders may during the prescribed period submit share certificates for Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, in exchange, at the expense of the Company, for new share certificates of New Shares (on the basis of 10 Existing Shares for 1 New Share). The new share certificate will be issued in red colour in order to distinguish them from the existing share certificates which are in green colour. Thereafter, certificates of Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate of Existing Shares cancelled or each new share certificate issued for New Shares, whichever number of certificates cancelled/issued is higher. The existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on Wednesday, 11 May 2016 and thereafter will not be accepted for delivery, trading and settlement purposes. Nevertheless, certificates of Existing Shares will continue to be good evidence of legal title and may be exchanged for certificates of New Shares at any time.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the New Shares, the Company has appointed Astrum Capital Management Limited as agent to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the New Shares to make up a full board lot, or to dispose of their holding of odd lots of the New Shares. Shareholders who wish to take advantage of this facility should contact Mr. Man Yam of Astrum Capital Management Limited at Room 2704, 27/F, Tower 1, Admiralty Centre, 18 Harcourt Road, Hong Kong or at telephone number (852) 3665 8168 during office hours. Shareholders should note that successful matching of the sale and purchase of odd lots of the New Shares is not guaranteed. Please refer to the section headed "Expected Timetable" set out on pages 3 to 4 of this circular for the period during which the Company will provide matching service for the sale and purchase of odd lots of the New Shares.

Shareholders and potential investors of the Company should note that the above matching service will be provided in respect of New Shares only.

LETTER FROM THE BOARD

Adjustments in relation to other securities

As at the Latest Practicable Date, the Company had outstanding Share Options which would entitle the holders thereof to subscribe for up to 1,001,048,933 Existing Shares.

Upon the Capital Reorganisation becoming effective and pursuant to the terms of the share option schemes of the Company and the supplementary guidance issued by the Stock Exchange on 5 September 2005 regarding adjustments of share options under Rule 17.03(13) of the Listing Rules, the exercise price of the outstanding Share Options and the total number of shares of the Company which may be allotted and issued upon exercise of all such Share Options are expected to be adjusted in the following manner:

(i) The share option scheme adopted by the Company on 17 November 2003

Date of grant	Exercise period	As at the Latest Practicable Date		Upon the Capital Reorganisation becoming effective	
		Exercise price per Existing Share	Number of Existing Shares to be issued	Exercise price per New Share	Number of New Shares to be issued
9 October 2007	9 October 2007 to 8 October 2017	HK\$28.04	2,011,764	HK\$280.40	201,176
18 April 2008	18 April 2008 to 17 April 2018	HK\$16.28	105,919	HK\$162.80	10,591

(ii) The share option scheme adopted by the Company on 4 June 2013

Date of grant	Exercise period	As at the Latest Practicable Date		Upon the Capital Reorganisation becoming effective	
		Exercise price per Existing Share	Number of Existing Shares to be issued	Exercise price per New Share	Number of New Shares to be issued
14 April 2015	14 July 2015 to 13 July 2017	HK\$0.297	243,031,250	HK\$2.97	24,303,125
21 January 2016	21 January 2016 to 20 January 2018	HK\$0.0374	755,900,000	HK\$0.374	75,590,000

The aforesaid adjustments will be subject to review and confirmation by an independent financial advisor to the Company or the auditor of the Company and will take effect upon the effective date of the Capital Reorganisation.

LETTER FROM THE BOARD

Save as aforesaid, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into shares of the Company as at the Latest Practicable Date.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares were traded in board lots of 20,000 Existing Shares. The Board proposed to change the board lot size for trading in the Existing Shares from 20,000 Existing Shares to 10,000 New Shares subject to and upon the Capital Reorganisation becoming effective. Based on the closing price of HK\$0.036 per Existing Share on the Latest Practicable Date and assuming that the Capital Reorganisation had become effective, if the New Shares were continued to be traded in board lot of 20,000 New Shares, the value of each board lot of New Shares would be HK\$7,200. Should the Change in Board Lot Size become effective, the value of each board lot of New Shares would be HK\$3,600. The Board is of the view that the Change in Board Lot Size may enable the Company to attract more investors, improve the liquidity of the shares of the Company and broaden the Company's shareholder base.

WARNING

Shareholders should take note that the Capital Reorganisation is conditional upon satisfaction of conditions set out in the paragraph headed "Conditions of the Capital Reorganisation". Therefore, the Capital Reorganisation may or may not proceed.

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

RE-ELECTION OF DIRECTOR

Mr. Ng Tang ("Mr. Ng") was appointed as an executive Director and the chief executive officer of the Company by the Board with effect from 1 February 2016. Pursuant to bye-law 102(B) of the Bye-laws, Mr. Ng shall hold office only until the SGM and shall then be eligible for re-election at the SGM.

Biographical details of Mr. Ng are as follows:

Mr. Ng, aged 54, has been an executive Director and the chief executive officer of the Company since 1 February 2016. He graduated in law from the East China University of Politics and Law Department (華東政法學院). Mr. Ng has over twenty years of corporate management experience in China and Hong Kong and has more than ten years of extensive experience in the management and capital operation of listed companies in Hong Kong.

Mr. Ng is a committee member of Zhaoqing City of the Chinese People's Political Consultative Conference (中國人民政治協商會議肇慶市委員會委員) in the People's Republic of China. He is also a director of the board of directors of Yan Oi Tong.

LETTER FROM THE BOARD

Mr. Ng is currently an executive director of WLS Holdings Limited, a company whose shares are listed on the Growth Enterprise Market (“GEM”) of the Stock Exchange (Stock Code: 8021). He was an executive director of China Nonferrous Metals Company Limited, a company whose shares are listed on GEM (Stock Code: 8306), from June 2008 to May 2013.

Mr. Ng was a director of the following private companies incorporated in Hong Kong, which were dissolved by way of striking off or deregistration under section 291AA of the then prevailing Companies Ordinance (Chapter 32 of the Laws of Hong Kong) as these companies ceased to carry on business:

Name of company	Nature of business before dissolution	Date of dissolution	Method of dissolution
China National Automotive Industry (Hong Kong) I/E Corporation Limited	Inactive	5 November 2010	Deregistration of a defunct private company
China National Automotive Industry Development (H.K.) Limited	Automotive and parts import/export	4 August 2000	Deregistration of a defunct private company
China Orient Overseas Capital Limited	Inactive	9 May 2003	Strike off
E-life International Holdings Limited	Holding company	27 July 2012	Deregistration of a defunct private company
Jet Air Properties Limited	Inactive	6 July 2012	Deregistration of a defunct private company
New Henken Limited	Inactive	6 December 2002	Strike off
Orient Silver International Limited	Investment import/export	31 December 2009	Deregistration of a defunct private company
Super Alliance Investment Limited	Inactive	8 February 2013	Deregistration of a defunct private company

As confirmed by Mr. Ng, each of the above companies was inactive at the time when they were dissolved and so far as he was aware, the dissolution of these companies has not resulted in any liability or obligation being imposed against him.

LETTER FROM THE BOARD

Pursuant to the appointment letter entered into between the Company and Mr. Ng, Mr. Ng was appointed as an executive Director and chief executive officer of the Company for a fixed term of one year from 1 February 2016 and he is subject to retirement by rotation and re-election at the general meeting of the Company in accordance with the Bye-laws. Mr. Ng is entitled to an annual remuneration of HK\$360,000. Mr. Ng's remuneration is determined with reference to his responsibilities, the Company's remuneration policy and the prevailing market conditions.

As at the Latest Practicable Date, Mr. Ng was interested in 195,000,000 Existing Shares, being the number of underlying shares of the share options granted by the Company to him on 21 January 2016 pursuant to the share option scheme adopted by the Company on 4 June 2013.

Save as disclosed above, as at the Latest Practicable Date, Mr. Ng did not have any interest and short positions in the shares or underlying shares or debentures of the Company and its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

As at the Latest Practicable Date, save as disclosed above, (i) Mr. Ng did not hold any other major appointment and qualifications or any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Ng did not hold any other positions with the Company or other members of the Group; (iii) Mr. Ng did not have any relationship with any Directors, senior management, substantial or controlling shareholders (having the meaning ascribed to it in the Rules) of the Company; and (iv) there is no further information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules nor any other matters that need to be brought to the attention of the Shareholders in relation to the re-election of Mr. Ng as an executive Director.

SGM

The SGM will be held at 9:30 a.m. on Tuesday, 5 April 2016 at President Room, Level 2, Royal Park Hotel, 8 Pak Hok Ting Street, Shatin, New Territories, Hong Kong for the Shareholders to consider and, if thought fit, approve, among other things, the Capital Reorganisation and the re-election of Director. In compliance with the Listing Rules, all resolutions will be voted on by way of a poll at the SGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the resolutions to be proposed at the SGM.

You will find enclosed a form of proxy for use at the SGM. Whether or not you are able to attend the SGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon 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 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 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.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors are of the opinion that the Capital Reorganisation and the re-election of Mr. Ng as an executive Director are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions set out in the notice of the SGM.

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 Group. 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.

Yours faithfully,
On behalf of the Board
Jun Yang Financial Holdings Limited
Kwok Sze Yiu, Gordon
Chairman

NOTICE OF 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 SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (“**Meeting**”) of Jun Yang Financial Holdings Limited (“**Company**”) will be held at 9:30 a.m. on Tuesday, 5 April 2016 at President Room, Level 2, Royal Park Hotel, 8 Pak Hok Ting Street, Shatin, New Territories, Hong Kong to consider and, if thought fit, pass the following resolutions of the Company:

SPECIAL RESOLUTION

1. “**THAT** subject to and conditional upon: (i) compliance with the relevant procedures and requirements under the laws of Bermuda to effect the Capital Reorganisation (as defined below); and (ii) The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reorganisation (as defined below), with effect from the first business day immediately following the date on which this resolution is passed or the above conditions are fulfilled (whichever is the later) (“**Effective Date**”):
 - (a) every ten (10) issued and unissued shares of HK\$0.01 each in the existing share capital of the Company be consolidated (“**Share Consolidation**”) into one (1) share of HK\$0.10 (“**Consolidated Shares**”);
 - (b) the total number of Consolidated Shares in the issued share capital of the Company immediately following the Share Consolidation will be rounded down to a whole number by cancelling any fraction in the issued share capital of the Company arising from the Share Consolidation;
 - (c) the par value of each of the then issued Consolidated Shares be and is hereby reduced from HK\$0.10 each to HK\$0.01 each (“**New Shares**”) by cancelling the capital paid-up thereon to the extent of HK\$0.09 on each of the then issued Consolidated Shares, such that the par value of each issued Consolidated Share be reduced from HK\$0.10 to HK\$0.01 (together with the cancellation of fraction referred to in sub-paragraph (b) above are hereinafter referred to as “**Capital Reduction**”);

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- (d) each of the then authorised but unissued Consolidated Shares of HK\$0.10 each be and is hereby sub-divided into ten (10) New Shares of HK\$0.01 each (“**Share Subdivision**“, together with the Share Consolidation and the Capital Reduction, “**Capital Reorganisation**”);
- (e) the credits arising from the Capital Reduction be transferred to the contributed surplus account of the Company within the meaning of the Companies Act 1981 of Bermuda (“**Contributed Surplus Account**”) and the board of directors of the Company (“**Board**”) or a committee thereof be and are hereby authorised to use the amount then standing to the credit of the Contributed Surplus Account in any manner as may be permitted under the bye-laws of the Company in effect from time to time and all applicable laws including, without limitation, eliminating or setting off the accumulated losses of the Company as at the Effective Date and/or eliminating or setting off the accumulated losses of the Company which may arise from time to time and/or paying dividend or making any other distribution out of the Contributed Surplus Account from time to time without further authorisation from the shareholders of the Company and all such actions in relation thereto be approved, ratified and confirmed; and
- (f) the Board or a committee thereof be and is hereby authorised to do all such acts and things and execute all such documents on behalf of the Company, including under seal where applicable, as it may consider necessary or expedient to give effect to the Capital Reorganisation involving the Share Consolidation, the Capital Reduction and the Share Subdivision and to aggregate all fractional New Shares and sell them for the benefits of the Company.”

ORDINARY RESOLUTION

2. “**THAT** Mr. Ng Tang be re-elected as an executive director of the Company.”

On behalf of the Board
Jun Yang Financial Holdings Limited
Kwok Sze Yiu, Gordon
Chairman

Hong Kong, 9 March 2016

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

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Notes:

1. A member of the Company entitled to attend and vote at the Meeting convened by the above notice shall be 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/its behalf. A proxy needs not be a member of the Company but must be present in person at the 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 duly completed and signed in accordance with the instructions printed thereon and 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 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 Meeting or any adjournment thereof should he/she so wish, and in such case, the instrument appointing a proxy previously submitted shall be deemed to be revoked.
4. The above resolutions put to vote at the Meeting will be decided by way of poll as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As at the date of this notice, the executive directors of the Company are Mr. Kwok Sze Yiu, Gordon, Dr. Tang Sing Hing, Kenny and Mr. Ng Tang, and the independent non-executive directors of the Company are Mr. Chan Chi Yuen, Mr. Chik Chi Man and Mr. Lam Wing Tai.