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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)**

**COMPLETION OF PLACING OF NEW SHARES  
UNDER GENERAL MANDATE**

**Placing Agent**

**Nuada Limited**

The Board is pleased to announce that the condition precedent set out in the Placing Agreement had been fulfilled, and completion of the Placing took place on 5 October 2016 in accordance with the terms and conditions of the Placing Agreement.

An aggregate of 485,280,000 Placing Shares, which represent approximately 16.67% of the issued share capital of the Company as at the date of this announcement immediately after completion of the Placing, have been successfully placed to not less than six Placees, who and whose ultimate beneficial owners are Independent Third Parties, at the Placing Price of HK\$0.18 per Placing Share. The net proceeds from the Placing (after deduction of commission and other expenses of the Placing) are approximately HK\$84.12 million.

Reference is made to the announcement of Jun Yang Financial Holdings Limited (“**Company**”) dated 8 September 2016 (“**Announcement**”) in relation to the Placing under the General Mandate. Capitalised terms used in this announcement shall have the same meanings as defined in the Announcement unless otherwise stated.

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To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) each of the Placees and where appropriate, their respective ultimate beneficial owners, is an Independent Third Party; and (ii) none of the Placees has become a substantial shareholder (within the meaning of the Listing Rules) of the Company immediately upon completion of the Placing.

## **ADDITIONAL INFORMATION**

The Board wishes to advise that the unaudited net current assets value and the unaudited net asset value (“NAV”) of the Company amounted to approximately HK\$2,302 million and approximately HK\$3,701 million respectively as at 30 June 2016 as disclosed in the interim results (“**Interim Results**”) of the Company for the six months ended 30 June 2016 dated 26 August 2016 and the Placing Price of HK\$0.18 per Share represents a discount of approximately 88.24% to the unaudited NAV of HK\$1.53 per Share.

In addition, as disclosed in the Interim Results, the unaudited cash and cash equivalents of the Group amounted to approximately HK\$404 million. Out of such cash and cash equivalents, (i) approximately HK\$236 million was allocated for general working capital of the green energy segment of the Group for funding the development of the solar power plants owned and operated by the subsidiaries of the Company in the People's Republic of China; (ii) approximately HK\$131 million was allocated for the financial services segment of the Group for maintaining the capital requirements under the Securities and Futures (Financial Resources) Rules (Chapter 571N of the laws of Hong Kong); and (iii) approximately HK\$37 million was allocated for long term development of the Group including but not limited to funding the potential investments of the Group and other general working capital in Hong Kong. In light of such allocations, the Directors are of the view that such cash should not be utilised for repaying the indebtedness of the Group nor buying back the shares of the Company notwithstanding the current market price of the Shares is way below the said unaudited NAV per Share.

The Directors are also of the view that the Company should not realise the held-for-trading investments of the Group at this moment for repayment of its indebtedness as there was an upward trend for the Hong Kong stock market in the past few months and such trend may continue, especially the Shenzhen-Hong Kong Stock Connect is expected to start in November this year.

In view of the above, it is therefore in the interest of the Company and its shareholders to apply the net proceeds from the Placing to repay the indebtedness of the Group to reduce the finance cost of the Group and to enhance the gearing ratio of the Company.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the changes to the shareholding structure of the Company as a result of completion of the Placing:

Shareholders	Immediately before completion of the Placing		Immediately after completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Kwok Sze Yiu, Gordon (Note 1)	19,590,000	0.81	19,590,000	0.67
Dr. Tang Sing Hing, Kenny (Note 1)	2,300,000	0.09	2,300,000	0.08
Mr. Ng Tang (Note 1)	19,500,000	0.80	19,500,000	0.67
Mr. Bai Liang and his associate (Note 2)	78,305,272	3.23	78,305,272	2.69
Mr. Peng Libin (Note 3)	17,227,500	0.71	17,227,500	0.59
Placees (Note 4)	–	–	485,280,000	16.67
Other public Shareholders	2,289,509,962	94.36	2,289,509,962	78.63
<b>Total</b>	<b>2,426,432,734</b>	<b>100.00</b>	<b>2,911,712,734</b>	<b>100.00</b>

*Notes:*

1. Mr. Kwok Sze Yiu, Gordon, Dr. Tang Sing Hing, Kenny and Mr. Ng Tang are executive Directors.
2. Mr. Bai Liang is a director of certain subsidiaries of the Company. Out of the 78,305,272 Shares, (i) 22,055,272 Shares are owned by Mr. Bai Liang in the capacity as beneficial owner; and (ii) 56,250,000 Shares are owned by Silver Idea Investments Limited, a company wholly-owned and controlled by Mr. Bai Liang.
3. Mr. Peng Libin is a director of a subsidiary of the Company.
4. It is a term of the Placing Agreement that none of the Placees shall become a substantial shareholder of the Company upon the completion of the Placing.

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

Hong Kong, 5 October 2016

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