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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



軟庫中華金融服務有限公司
SBI China Capital Financial Services Limited

THE PLACING

The Board is pleased to announce that after the trading hours of 12 April 2016, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best endeavour basis, up to 391,800,000 Shares to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties at the Placing Price of HK\$0.238 per Share.

The Placing Price of HK\$0.238 per Share was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market prices of the Shares and represents: (i) a discount of 15.00% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 11.85% to the average closing price of HK\$0.27 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the Last Trading Day.

The maximum number of 391,800,000 Placing Shares represents (i) approximately 19.26% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.15% of the existing issued share capital of the Company as enlarged by the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company from the date of this announcement and up to completion of the Placing). The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$3,918,000.

Assuming the maximum number of the Placing Shares is placed, the gross proceeds from the Placing will be approximately HK\$93.25 million and the net proceeds from the Placing will be approximately HK\$90.10 million (after deduction of commission and other expenses of the Placing). It is expected that the net proceeds from the Placing will be utilised for funding the Group's asset investment segment and for general working capital of the Group.

GENERAL

The Placing Shares will be allotted and issued pursuant to the General Mandate granted by the Shareholders at the special general meeting of the Company held on 29 January 2016 and therefore the allotment and issue of the Placing Shares are not subject to any additional Shareholders' approval.

Since completion of the Placing is subject to the fulfillment of the condition as set out in the Placing Agreement and the Placing Agent is entitled to terminate the Placing Agreement under certain circumstances as described below, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

The Board is pleased to announce that after the trading hours of 12 April 2016, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best endeavour basis, up to 391,800,000 Shares to not less than six Placees who and whose ultimate beneficial owners are Independent Third Parties at the Placing Price of HK\$0.238 per Share.

Principal terms of the Placing Agreement are summarised below:

THE PLACING AGREEMENT

Date:

12 April 2016

Issuer:

The Company

Placing Agent:

SBI China Capital Financial Services Limited

The Placing Agent has conditionally agreed to place up to 391,800,000 Shares, on a best endeavour basis, to the Placees. The Placing Agent will receive a placing commission of 3.25% of the aggregate Placing Price of the Placing Shares actually placed by or on behalf of the Placing Agent on behalf of the Company in accordance with the 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 this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees:

The Placing Shares are expected to be placed to not less than six Placees, who will be individuals, corporate, institutional investors or other investors. The Placees and their respective ultimate beneficial owners shall be Independent Third Parties. The Placing Agent has warranted and undertaken to the Company that none of the Placees would, immediately upon completion of the Placing, become a substantial shareholder (within the meaning of the Listing Rules) of the Company.

Placing Price:

The Placing Price of HK\$0.238 per Share represents:

- (i) a discount of 15.00% to the closing price of HK\$0.28 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 11.85% to the average closing price of HK\$0.27 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the Last Trading Day.

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.

The Directors consider that the terms of the 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.

Placing Shares:

The maximum number of 391,800,000 Placing Shares represents (i) approximately 19.26% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.15% of the existing issued share capital of the Company as enlarged by the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the issued share capital of the Company from the date of this announcement and up to completion of the Placing). The aggregate nominal value of the maximum number of the Placing Shares will be HK\$3,918,000.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the gross proceeds from the Placing will be approximately HK\$93.25 million and the net proceeds will be approximately HK\$90.10 million (after deduction of commission and other expenses of the Placing). On such basis, the net issue price will be approximately HK\$0.23 per Placing Share.

Ranking of the Placing Shares:

The Placing Shares will rank, when issued and fully paid up, *pari passu* in all respects with the Shares in issue as at the date of allotment and issue of the Placing Shares.

Condition of the Placing:

Completion of the Placing is conditional upon the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares to be placed pursuant to the Placing Agreement.

Each of the Company and the Placing Agent shall use their respective best endeavours to procure the satisfaction of the above condition by 29 April 2016 ("**Long Stop Date**"). If the above condition is not satisfied by the Long Stop Date, all obligations of the Placing Agent and of the Company under the 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 Placing Agreement (save in respect of any antecedent breach of any obligation thereunder).

Completion:

Completion of the Placing shall take place on the fifth Business Day following the day of fulfillment of the condition of the Placing or on such other date as the Company and the Placing Agent may agree in writing.

Mandate to allot and issue the Placing Shares:

The Placing Shares will be allotted and issued pursuant to the General Mandate granted by the Shareholders at the special general meeting of the Company held on 29 January 2016. Under the General Mandate, the Company is authorised to allot and issue and deal with new shares of the Company not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution approving the General Mandate (i.e. a total of 3,918,085,469 Pre-Consolidated Shares which are equivalent to 391,808,546 Shares as adjusted by the Capital Reorganisation) until the revocation, variation or expiration of the General Mandate.

The Company has not exercised the power to allot and issue any new Shares pursuant to the General Mandate prior to the date of the Placing Agreement. Accordingly, the allotment and issue of the Placing Shares are not subject to any additional shareholders' approval.

Termination:

The Placing Agent has reserved its right to terminate the Placing Agreement by notice in writing to the Company at any time up to 8:00 a.m. on the Completion Date 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 Placing; or
- (2) there is any breach of the warranties, representations and undertakings given by the Company in the Placing Agreement and such breach is considered by the Placing Agent on reasonable grounds to be material in the context of the 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 Placing or makes it inadvisable or inexpedient for the Placing to proceed.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

The Company may, in its reasonable opinion, after consultation with the Placing Agent, terminate the Placing Agreement by notice in writing to the Placing Agent at any time up to 8:00 a.m. on the Completion Date if there is a breach of the warranties, representations and undertakings given by the Placing Agent in the Placing Agreement and such breach is considered by the Company on reasonable grounds to be material.

Upon termination of the Placing Agreement, all liabilities of the parties under the Placing Agreement shall cease and no party shall have any claim against the other party in respect of any matter or thing arising out or in connection with the Agreement save in respect of any antecedent breach of any obligation under the Agreement.

Since completion of the Placing is subject to the fulfillment of the condition as set out in the Placing Agreement and the Placing Agent is entitled to terminate the Placing Agreement under certain circumstances as described below, the Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in financial service business, solar energy business with a current focus on development, construction, operation and maintenance of power station projects, money lending business and assets investment.

The Directors are of the view that the Placing can strengthen the financial position of the Group and provide working capital to the Group to meet any future development and obligations. The Placing also represents good opportunities to broaden the shareholders' base and the capital base of the Company. The Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole.

Assuming the maximum number of the Placing Shares is placed under the Placing Agreement, the net proceeds from the Placing are estimated to be approximately HK\$90.10 million (after deduction of commission and other expenses of the Placing). It is expected that the net proceeds from the Placing will be utilised for funding the Group's asset investment segment and for general working capital of the Group.

FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

Apart from the fund raising activities mentioned below, the Company has not carried out other fund raising activities by way of equity issue during the 12 months immediately preceding the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of the net proceeds	Actual use of the net proceeds as at the date of this announcement
10 July 2015 and 22 July 2015	Placing of 889,300,000 new Pre-Consolidated Shares at a price of HK\$0.158 per share under general mandate	Approximately HK\$136 million	approximately HK\$136 million will be utilised for the operation of the Group's securities trading business operated by Jun Yang Securities Company Limited	used as intended
10 July 2015, 24 August 2015, 25 September 2015 and 14 October 2015	Placing of 12,031,350,000 new Pre-Consolidated Shares at a price of HK\$0.158 per share under specific mandate	Approximately HK\$1,314 million	(i) as to approximately HK\$600 million for assets investment; (ii) as to approximately HK\$600 million for proposed margin financing services and money lending business (iii) as to approximately HK\$114 million for the operation of the Group's securities related business operated by Jun Yang Securities Company Limited	(i) used as intended (ii) approximately HK\$423.00 million used for money lending business and HK\$177.00 million used for operation of securities business (iii) used as intended

Date of announcement	Fund raising activity	Net proceeds raised	Proposed use of the net proceeds	Actual use of the net proceeds as at the date of this announcement
13 April 2015 and 9 June 2015	Open offer of not less than 2,223,259,115 Pre-Consolidated Shares and not more than 2,224,227,198 Pre-Consolidated Shares at HK\$0.26 per offer share for every two shares in issue held on the record date	Approximately HK\$563.92 million	<ul style="list-style-type: none"> <li data-bbox="871 278 1182 459">(i) as to approximately HK\$393.00 million for further expansion of the Group's solar energy and related business segment <li data-bbox="871 502 1182 789">(ii) as to HK\$45.00 million for operation of the Group's securities trading business operated by Jun Yang Securities Company Limited, a wholly-owned subsidiary acquired by the Group in October 2004 <li data-bbox="871 842 1182 938">(iii) as to HK\$96.00 million for the operation of the Group's money lending business <li data-bbox="871 991 1182 1127">(iv) as to the remaining balance of HK\$29.92 million as the Group's general working capital 	<ul style="list-style-type: none"> <li data-bbox="1206 278 1485 417">(i) approximately HK\$77.62 million has been used for the Group's solar power station projects <li data-bbox="1206 502 1406 534">(ii) used as intended <li data-bbox="1206 842 1406 874">(iii) used as intended <li data-bbox="1206 991 1437 1055">(iv) used for assets investment in a fund

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company, upon completion of the Placing (assuming the maximum number of the Placing Shares is placed and there is no other change in the shareholding structure of the Company before the issue of the Placing Shares under the Placing) are set out as below:

Shareholders	As at the date of this announcement		Upon completion of the Placing	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Mr. Kwok Sze Yiu Gordon (<i>Note 1</i>)	19,590,000	0.96	19,590,000	0.81
Mr. Ng Tang (<i>Note 1</i>)	19,500,000	0.96	19,500,000	0.80
Dr. Tang Sing Hing Kenny (<i>Note 1</i>)	2,300,000	0.11	2,300,000	0.09
Mr. Bai Liang and his associate (<i>Note 2</i>)	78,305,272	3.85	78,305,272	3.23
Mr. Peng Libin (<i>Note 3</i>)	17,227,500	0.85	17,227,500	0.71
Placees (<i>Note 4</i>)	–	–	391,800,000	16.15
Other public Shareholders	1,897,709,962	93.27	1,897,709,962	78.21
Total	<u>2,034,632,734</u>	<u>100.00</u>	<u>2,426,432,734</u>	<u>100.00</u>

Notes:

1. Mr. Kwok Sze Yiu Gordon, Mr. Ng Tang and Dr. Tang Sing Hing Kenny 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.

GENERAL

The Placing Shares will be allotted and issued pursuant to the General Mandate granted by the Shareholders at the special general meeting of the Company held on 29 January 2016 and therefore the Placing will not be subject to any additional Shareholders' approval.

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

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“associate”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, a Sunday or public holiday or any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which commercial banks in Hong Kong are open for business
“Capital Reorganisation”	the capital reorganisation approved by the shareholders of the Company at the special general meeting of the Company held on 5 April 2016 which involved, among other steps, (i) the share consolidation of 10 Pre-Consolidated Shares into 1 Share of HK\$0.10 and (ii) the reduction of the share capital of the Company whereby the par value of each of the then issued consolidated shares of HK\$0.10 each was reduced from HK\$0.10 to HK\$0.01 each by cancelling the paid-up capital of the Company to the extent of HK\$0.09 on each of the then issued consolidated share and thereby creating the Shares and the capital reorganisation became effective on 6 April 2016
“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 (Stock code: 397)

“Completion”	completion of the Placing on the terms and subject to the conditions set out in the Placing Agreement
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate unconditionally given to the Directors by the Shareholders at the special general meeting of the Company held on 29 January 2016 to allot, issue and deal with new Shares not exceeding 20% of the aggregate nominal amount of issued share capital of the Company then existing and as adjusted by the Capital Reorganisation, i.e. a total of 391,808,546 Shares
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and not connected with any of the connected persons of the Company or their respective associates
“Last Trading Day”	12 April 2016, being the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual, corporate, institutional investor(s) or other investor(s) to be procured by or on behalf of the Placing Agent under the Placing
“Placing”	the offer by way of private placing of the Placing Shares by or on behalf of the Placing Agent to the Placee(s), on a best endeavor basis, on the terms and subject to the conditions set out in the Placing Agreement

“Placing Agent”	SBI China Capital Financial Services Limited, a licensed corporation to carry out business in 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 Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 12 April 2016 in relation to the Placing
“Placing Price”	the price of HK\$0.238 per Placing Share
“Placing Shares”	up to 391,800,000 Shares to be allotted and issued pursuant to the terms and conditions of the Placing Agreement which will rank pari passu in all respects with the Shares in issue as at the date of allotment of the Placing Shares and each, a “Placing Share”
“Pre-Consolidated Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company prior to the Capital Reorganisation becoming effective
“Share(s)”	ordinary share(s) of HK\$0.01 each in the capital of the Company after the Capital Reorganisation becoming effective, being the existing share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 12 April 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.