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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)

PROFIT WARNING

This announcement is made by Jun Yang Financial Holdings Limited (“**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules).

The board of directors of the Company (“**Board**”) wishes to inform the shareholders and potential investors of the Company that the Company is expected to record a significant loss for the year ended 31 December 2016 (“**FY2016**”) (for the year ended 31 December 2015: audited loss of approximately HK\$192 million). Based on the information currently available to the Board, such significant loss is principally attributable to the losses in respect of its investments and such losses are estimated to be approximately HK\$184 million (realised losses) and approximately HK\$672 million (unrealised losses) respectively as a result of the volatile stock market in Hong Kong during FY2016. The Board wishes to emphasize that the said unrealised losses of approximately HK\$672 million are non-cash in nature and relate to losses arising on change in fair value of held-for trading investments of the Group. More information about the Group’s investment portfolio will be disclosed by the Company when the audited consolidated financial statements of the Group for FY2016 are available.

The Board also wishes to inform the shareholders and potential investors of the Company that the operations of other principal activities remain well on track during FY2016.

The Group is still in the process of finalising its consolidated financial statements for FY2016. The information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the information currently available, which has not been reviewed or audited by the auditors of the Company and may be subject to change. Shareholders and potential investors of the Company are advised to refer to the details of the Group's final results announcement for FY2016, which is expected to be published in March 2017.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 5 January 2017

As at the date of this announcement, 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 Ms. Yiu Wai Yee, Catherine.