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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  
AND  
RESUMPTION OF TRADING**

**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 six months ended 30 June 2017 (“**FY2017 Interim Period**”) (for the six months ended 30 June 2016: unaudited loss of approximately HK\$141 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 investment losses are estimated to be approximately HK\$706 million (comprising realised losses of approximately HK\$27 million and unrealised losses of HK\$679 million). The Board wishes to emphasize that the unrealised losses are non-cash in nature and mostly related to losses arising on change in fair value of held-for-trading investments of the Group. As noted in the Company’s announcement dated 14 June 2017, significant investments of the Group’s held-for-trading investments (“**Significant HFT Investments**”) as at 31 December 2016 comprised its investments in three companies listed on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) and the aggregate market value of such Significant HFT Investments amounted to approximately HK\$1,281 million as at 31 December 2016. As a result of the volatile stock market in Hong Kong around the end of the FY2017 Interim Period, as at 30 June 2017, the market value of the Significant HFT Investments declined substantially as compared with the market value of such investments as at 31 December 2016 and the Group thus recorded a net fair value loss in respect of the Significant HFT Investments of approximately HK\$510 million for the FY2017 Interim Period. Apart from the Significant HFT Investments, the Group’s other held-for-trading investments comprised over 50 listed securities in Hong Kong and the United States of America and its available-for-sale investments comprised investment in a company whose shares are listed on the Stock Exchange and investment in 10 different private funds.

The Group is still in the process of finalising its consolidated financial statements for the FY2017 Interim Period. 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 by the auditors of the Company or the audit committee of the Board and may be subject to change. The information may also be subject to adjustment after further review and finalisation of the consolidated financial statements for the FY2017 Interim Period by the Board. Shareholders and potential investors of the Company are advised to refer to the details of the Group's financial results for the FY2017 Interim Period, which is expected to be published in August 2017.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 1:54 p.m. on 7 July 2017 pending the release of the announcement relating to the price and trading volume movements and this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 10 July 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, 7 July 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.*