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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)**

**DISCLOSEABLE TRANSACTION:  
DISPOSAL OF 30% INTEREST OF THE TARGET**

The Board is pleased to announce that after trading hours on 25 April 2017, the Company as Vendors' guarantor, the Vendors (each being a wholly-owned subsidiary of the Company) as vendors and the Purchaser as purchaser entered into the SP Agreement pursuant to which the Purchaser has conditionally agreed to purchase, and the Vendors have conditionally agreed to sell, the Sale Shares, representing an aggregate of 30% of the issued share capital of the Target as at Completion, at the Consideration of HK\$27,092,000.

The Target Group is principally engaged in real estate agency business in particular for the sales of properties in Australia and the United Kingdom. After Completion, the Group will cease to hold any interest in the Target.

**IMPLICATIONS UNDER THE LISTING RULES**

As the highest relevant percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5% but all relevant percentage ratios in respect of the Disposal are less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.34 of the Listing Rules.

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Major terms of the SP Agreement are set out below.

## **THE SP AGREEMENT**

Date : 25 April 2017

- Parties :
- (1) The Vendors: Estate Sun and Red Metro, each being a wholly-owned subsidiary of the Company
  - (2) The Purchaser: Assets Pacific Holdings Limited, a company incorporated in the Republic of Seychelles with limited liability
  - (3) The Vendors' guarantor: the Company

The Company joins as a party to the SP Agreement to guarantee the Purchaser as primary obligor, the due observance and performance by the Vendors of all the agreements, stipulations, terms and conditions contained in the SP Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Purchaser and its ultimate beneficial owners is an Independent Third Party and the Purchaser is principally engaged in investment holding.

### **Assets to be disposed of**

Subject to the terms and conditions of the SP Agreement:

- (1) Estate Sun, as legal and beneficial owner, agrees to sell to the Purchaser, and the Purchaser hereby agrees to purchase the Estate Sun Sale Shares, representing 20% of the issued share capital of the Target for the ES Consideration; and
- (2) Red Metro, as legal and beneficial owner, agrees to sell to the Purchaser, and the Purchaser hereby agrees to purchase the Red Metro Sale Shares, representing 10% of the issued share capital of the Target for the RM Consideration,

in each case, with effect from Completion free from all encumbrances together with all rights of any nature now or thereafter attaching thereto including but not limited to all dividends or distributions which may be paid, declared or made in respect thereof at any time on or after the Completion Date.

## **Consideration**

The Consideration for the sale and purchase of the Sale Shares shall be HK\$27,092,000, of which:

- (1) HK\$18,061,333 shall be payable to Estate Sun in respect of sale of its Estate Sun Sale Shares; and
- (2) HK\$9,030,667 shall be payable to Red Metro in respect of sale of its Red Metro Sale Shares,

upon Completion in cash.

## **Basis of Consideration**

The Consideration was determined after arm's length negotiations between the Vendors and the Purchaser on normal commercial terms principally with reference to the original investment cost of the Group in the Target of approximately HK\$28 million.

## **Condition Precedent**

The obligations of the parties to the SP Agreement to effect Completion shall be conditional upon the Vendors and their ultimate holding company, being the Company, having complied with all applicable requirements under the Listing Rules in respect of the transactions contemplated under the SP Agreement.

The condition precedent is not capable of being waived by any party to the SP Agreement.

If the condition precedent has not been fulfilled at or before 5:00 p.m. (Hong Kong time) on the Long Stop Date, all rights and obligations of the parties thereunder shall cease and terminate, save and except for those pursuant to relating to assignment and miscellaneous matters which provisions shall remain in full force and effect, and no party shall have any claim against the other save for claim (if any) in respect of such continuing provisions or any antecedent breach thereof.

## **Completion**

Pursuant to the terms and conditions of the SP Agreement, Completion shall take place on the Completion Date.

After Completion, the Group will cease to hold any interest in the Target.

## **INFORMATION ABOUT THE TARGET**

The Target, a company incorporated in Hong Kong with limited liability on 14 March 2014, is principally engaged in real estate agency business. The Target Group is a group of companies principally engaged in real estate agency business in particular for the sales of properties in Australia and the United Kingdom.

Set out below is certain financial information of the Target for the period from 14 March 2014 (date of incorporation) to 30 June 2015 and for the 14 months ended 31 August 2016:

	<b>For the 14 months ended 31 August 2016</b>	<b>From 14 March 2014 to 30 June 2015</b>
	<i>HK\$ (approximately) (unaudited)</i>	<i>HK\$ (approximately) (audited)</i>
Net profit (before taxation)	4,169,000	8,498,000
Net profit (after taxation)	3,522,000	6,731,828

The unaudited total asset value and net asset value of the Target as at 31 December 2016 were approximately HK\$50,755,000 and HK\$44,306,000 respectively.

## **INFORMATION ABOUT THE GROUP**

The Group is principally engaged in financial service business, money lending business and assets investment.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Directors expect to recognise an unaudited loss of approximately HK\$4,636,000 from the Disposal, being the difference between the Consideration and the amount of interest in associate as at 31 December 2016. Shareholders should note that the actual amount of gain/loss on the Disposal to be recorded by the Company will be subject to review by the auditors of the Company. The Board intends to use the proceeds from the Disposal for its general working capital and/or funding other investment opportunities which may arise. By realising its investment in the Target, the Directors believe that the Group can allocate more resources for its assets investment business.

The Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest relevant percentage ratio (as defined under the Listing Rules) in respect of the Disposal is more than 5% but all relevant percentage ratios in respect of the Disposal are less than 25%, the Disposal constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.34 of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	any day(s) (except any Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“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
“Completion”	the completion of the Disposal
“Completion Date”	the tenth Business Day after the condition precedent has been fulfilled (or such other date as the Vendors and the Purchaser may agree in writing) on which Completion is to take place
“Consideration”	the sum of HK\$27,092,000 comprising the ES Consideration and the RM Consideration, being the aggregate consideration for the purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares
“ES Consideration”	HK\$18,061,333, being the consideration payable by the Purchaser to Estate Sun in respect of sale of the Estate Sun Sale Shares
“Estate Sun”	Estate Sun Global Limited, a company incorporated in the British Virgin Islands with limited liability and beneficial owner of Estate Sun Sale Shares
“Estate Sun Sale Shares”	an aggregate of 2,000 ordinary shares of the Target, representing 20% of the issued share capital of the Target as at the date of the SP Agreement, owned by Estate Sun
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2017 (or such later date as the Vendors and the Purchaser may agree in writing)
“Purchaser”	Assets Pacific Holdings Limited, a company incorporated in the Republic of Seychelles with limited liability
“Red Metro”	Red Metro Limited, a company incorporated in the British Virgin Islands with limited liability and beneficial owner of Red Metro Sale Shares
“Red Metro Sale Shares”	an aggregate of 1,000 ordinary shares of the Target, representing 10% of the issued share capital of the Target as at the date of the SP Agreement, owned by Red Metro
“RM Consideration”	HK\$9,030,667, being the consideration payable to Red Metro in respect of sale of the Red Metro Sale Shares
“Sale Shares”	collectively, Estate Sun Sale Shares and Red Metro Sale Shares
“SP Agreement”	the sale and purchase agreement dated 25 April 2017 entered into among the Purchaser, the Vendors and the Company in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	AP Assets Limited 泛亞環球物業顧問有限公司, a company incorporated in Hong Kong with limited liability
“Target Group”	the Target and its subsidiaries

“Vendors”

collectively, Estate Sun and Red Metro

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

Hong Kong, 25 April 2017

*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 Ms. Yiu Wai Yee, Catherine.*